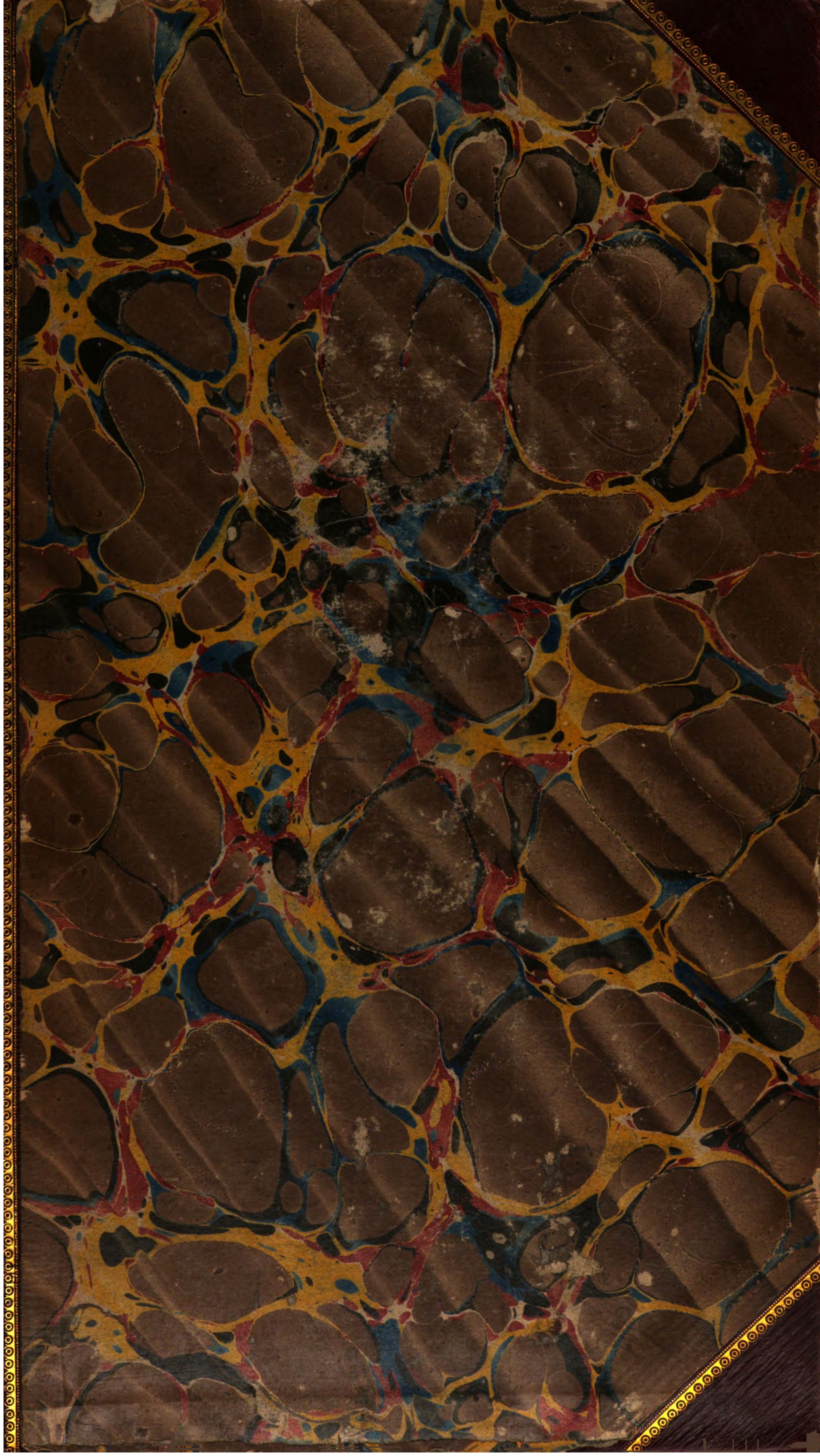
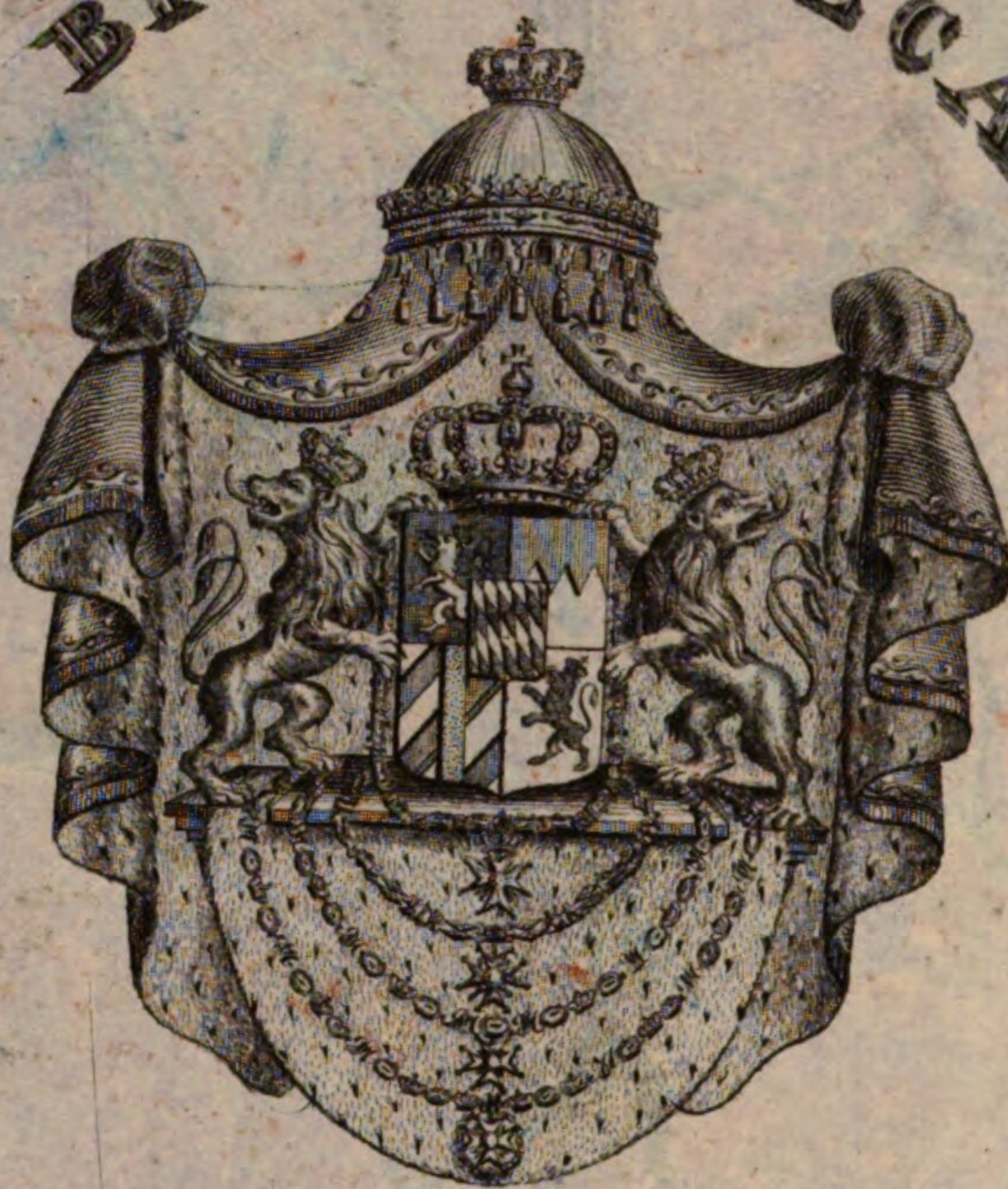
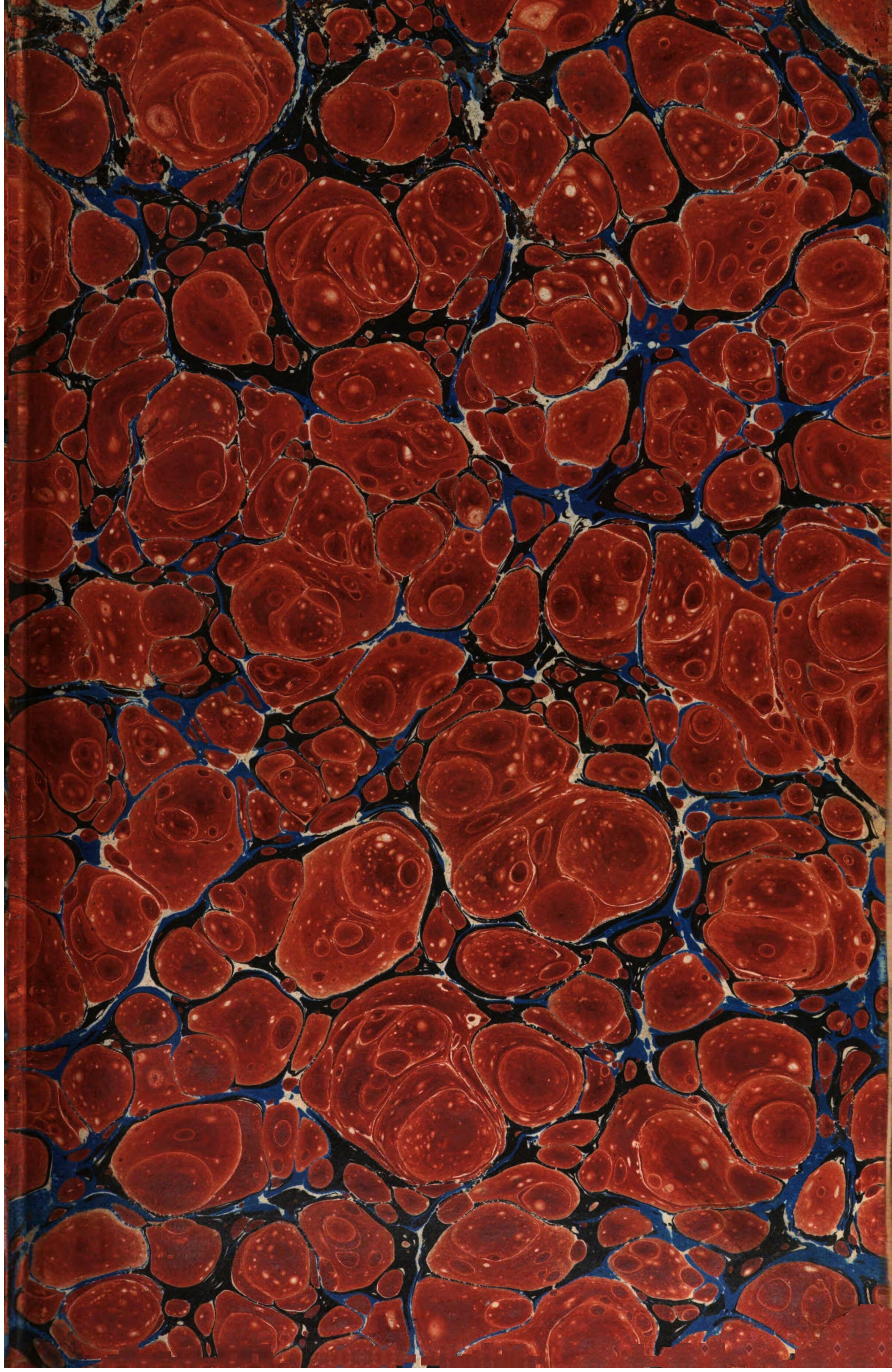




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REPORT

OF THE

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SELECTION
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VOL. 30

Banking -- Currency

1836.

SELECTION

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REPORTS AND PAPERS

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1830

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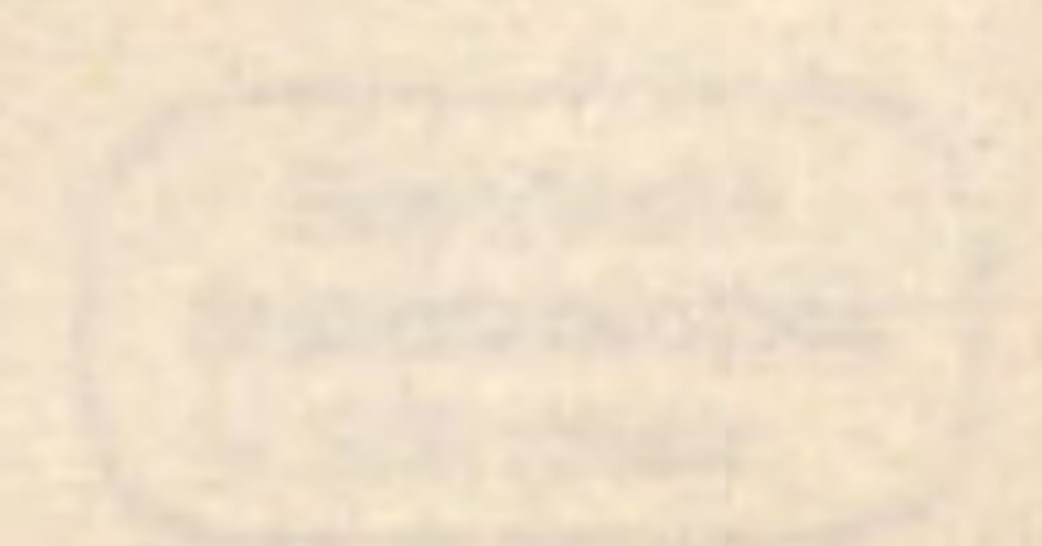
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BANK OF ENGLAND

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R E P O R T

FROM THE

COMMITTEE OF SECRECY

ON THE

BANK OF ENGLAND CHARTER;

WITH

THE MINUTES OF EVIDENCE,

APPENDIX AND INDEX

Ordered, by The House of Commons, to be Printed,

11 August 1832.

Martis, 22° Maii, 1832.

Ordered,

THAT a Committee of Secrecy be appointed to inquire into the expediency of renewing the Charter of the Bank of England, and into the system on which Banks of Issue in *England* and *Wales* are conducted:—And a Committee was appointed, of

Lord Viscount Althorp.

Sir Robert Peel, Bart.

Lord John Russell.

Mr. Goulburn.

Sir James Graham, Bart.

Mr. Herries.

Mr. Poulett Thomson.

Mr. Courtenay.

Colonel Maberly.

Sir Henry Parnell, Bart.

Mr. Vernon Smith.

Mr. John Smith.

Mr. Robarts.

Sir Matthew Ridley, Bart.

Mr. Attwood.

Sir John Newport, Bart.

Mr. Baring.

Mr. Irving.

Mr. Warburton.

Mr. George Philips.

Mr. James Morrison.

Lord Viscount Morpeth.

Mr. Heywood.

Lord Viscount Ebrington.

Mr. Lawley.

Sir. John Wrottesley, Bart.

Lord Cavendish.

Mr. Alderman Wood.

Mr. Strutt.

Mr. Bonham Carter.

Mr. Edward John Stanley.

Mr. Alderman Thompson.

And they are to meet To-morrow, in The Speaker's Chamber; and have Power to send for Persons, Papers and Records.

Ordered, That Five be the Quorum of the Committee.

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The period of the Session at which the Committee commenced their labours, the importance and extent of the subject, and the approaching close of the Session, will sufficiently account to the House for the limited progress of the Inquiry, and for the incompleteness of the Materials which have been collected for the purpose of forming an opinion. They have thought it better, therefore, to submit the whole of the Evidence which they have taken, with a few observations on the consideration of

R E P O R T.

THE SECRET COMMITTEE appointed to inquire into the Expediency of renewing the **CHARTER** of the **BANK** of **ENGLAND**, and into the System on which Banks of Issue in *England* and *Wales* are conducted ; and to whom the Petition of certain Directors of Joint Stock Banking Companies in *England* was referred ; and who were empowered to report the **MINUTES** of **EVIDENCE** taken before them :—**HAVE** agreed upon the following **REPORT** :

YOUR COMMITTEE have applied themselves to the Inquiry which The House has committed to them, by calling for all the Accounts which appeared to them necessary for the purpose of elucidating the Affairs of the Bank of England, and have examined Evidence, for the purpose of ascertaining the principles on which it regulates the Issue of its Notes, and conducts its general transactions. They feel bound to state, that the Directors of the Bank of England have afforded to them every facility in their power, and have most readily and candidly answered every question which has been put to them, and produced every Account which has been called for. The Committee have also examined such Witnesses as appeared to them, from their practical knowledge and experience, most likely to afford information on the important subjects under their consideration, who have all been ready to give the Committee the most ample information.

The principal Points to which they have directed their attention, are—

First. Whether the Paper Circulation of the Metropolis should be confined, as at present, to the Issues of one Bank, and that a Commercial Company ; or, whether a competition of different Banks of Issue, each consisting of an unlimited number of partners, should be permitted.

Secondly. If it should be deemed expedient that the Paper Circulation of the Metropolis should be confined, as at present, to the Issues of one Bank, how far the whole of the exclusive privileges possessed by the Bank of England are necessary to effect this object.

Thirdly. What checks can be provided to secure for the Public a proper management of Banks of Issue, and especially whether it would be expedient and safe to compel them periodically to publish their Accounts.

With respect to the Circulation of Paper in the Country, the Committee have examined—*First*, into the effect produced by the establishment of the Branch Banks of the Bank of England ; and *Secondly*, into the expediency of encouraging the establishment of Joint Stock Banks of Issue in the Country.

On all these, and on some collateral points, more or less information will be found in the Minutes of Evidence ; but on no one of them is it so complete as to justify the Committee in giving a decided opinion.

The period of the Session at which the Committee commenced their labours, the importance and extent of the subject, and the approaching close of the Session, will sufficiently account to The House for the limited progress of the Inquiry, and for the incompleteness of the Materials which have been collected, for the purpose of forming an opinion. They have thought it better, therefore, to submit the whole of the Evidence which they have taken, with a very few exceptions, to the consideration of The House.

In their opinion, no public inconvenience will arise from this publication. The only parts of the Evidence which they have thought it necessary to suppress, are those which relate merely to the private interests of individuals.

The House will perceive that the Committee have presented, as part of the Evidence which they have taken, the actual amount of Bullion at different times in the hands of the Bank of England. This information has never before been given to the Public. It is, however, very essential to a complete knowledge of the subject; and if it had been suppressed by the Committee, many parts of the Evidence would have been unintelligible, and a false impression would have been produced in the minds of the Public, that the Bank were not as well provided with Bullion as is desirable, which might have a very injurious effect. The House will, however, observe, that the Bank is amply provided with Bullion at the present time; and it does not therefore appear to the Committee that this information being now given to the Public can be productive of any injurious consequences.

The Committee, however, by no means wish it to be understood, from their having felt themselves called upon to include this Evidence in their Report, that they have formed any opinion as to the propriety of periodically publishing the Affairs of this or of any other Bank of Issue. There appears to be a difference between a publication of the Affairs of the Bank when an inquiry is instituted for the purpose of deciding whether the Bank Charter shall be renewed or not, and a periodical publication during the course of its ordinary transactions.

Of the ample means of the Bank of England to meet all its engagements, and of the high credit which it has always possessed, and which it continues to deserve, no man who reads the Evidence taken before this Committee can for a moment doubt; for, it appears that, in addition to the surplus rest in the hands of the Bank itself, amounting to £.2,880,000, the Capital on which Interest is paid to the Proprietors, and for which the State is debtor to the Bank, amounts to £.14,553,000, making no less a Sum than £.17,433,000 over and above all its liabilities.

11 August 1832.

MINUTES OF EVIDENCE.

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MINUTES OF EVIDENCE.

Martis, 29^o die Maii 1832.

THE RIGHT HON. LORD VISCOUNT ALTHORP,

IN THE CHAIR.

John Horsley Palmer, Esq. the Governor of the Bank of England, called in;
and Examined.

1. **FROM** whence do the profits of the Branch Banks arise?—They are derived from the amount of interest upon the securities invested, from that proportion of the circulation and deposits which appertain to the Branch Banks. There is also a small profit derived by the Bank from agency at the Branches.

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2. Can you distinguish the total circulation of the Branch Banks from the circulation of the Bank of England?—Yes; I believe it is given in the Return made by order of the Committee.

3. As that is of course returned to the Bank of England, you can return it, distinguishing each Bank?—Certainly; I have found it to be extremely difficult to return the proportion of the value of the circulation actually appertaining to the Branch Banks, and can only state the aggregate notes in circulation. It does not follow because a given amount of Branch Bank notes are in circulation, that that is the issue actually appertaining to the Branch Banks; many of those notes might have been, otherwise, London notes.

4. Is there any large proportion of London notes circulated by the Branch Banks?—There are none.

5. Will you have any objection to furnishing the amount of outstanding notes on the latest Saturday to which the same can be made up, distinguishing each Branch Bank?—No.

6. Should you have any objection to furnishing an Account of the total amount of deposits at each Branch Bank, down to the latest period for which the same can be made out?—No.

7. What do you call “agency” from which you derive a profit?—A commission charged to those persons who do not keep an account with the Bank, but for whom bills and money are transmitted for receipt and payment.

8. Although it is impossible to make an exact estimate of the profit of any one of the Branches, does not the Bank at the end of the year make for itself some estimate of whether a certain Branch has been profitable, and to what extent it has been so?—The mode in which the Bank has made out the Branch Bank accounts (upon the correctness of which much doubt exists) has been, to take the whole circulation of the Branch Bank as if it actually appertained to the Branch Banks. Such an Account can be produced, if the Committee require it.

9. In the Accounts furnished, there is a charge, in each account, of rent; is the Committee to understand that that means an apportionment of the charge of rent for the Bank buildings?—Yes.

10. How much do you take as the aggregate of the whole charge?—Forty thousand pounds.

11. What rate per cent is charged upon the capital, at that rate?—No calculation has been made, the amount charged has been taken upon the opinion of the architect of the Bank.

12. Have you an account of the whole cost of erecting the Bank?—I have not.

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13. Does not that 40,000 *l.* a year rent include both the interest of the capital laid out upon the building, and the annual expenses of repairs of the building?—It was referred to Sir John Soane to say what he thought would be a fair rent for the Bank, used as it is for the present purposes. His opinion was, that 35,000 *l.* per annum was a fair charge for rent, and 5,000 *l.* per annum for the use of fixtures.

14. Have you in that charge made any separate charge for repairs?—All the outgoings, whether they be for repairs, taxes, or any other expenditure, are included in the items of expenses of the Bank, in addition to the 40,000 *l.*

15. Is that meant to include the buildings applicable to what are the private concerns of the Bank, as well as what is due to the Public?—Certainly.

16. Upon what principle is the apportionment between what is due to the account of the Public, and what is due to the private concerns of the Bank, adjusted?—It is apportioned with reference to the space occupied in the different departments.

17. In the Account of the Accounts of Promissory Notes and Bank Post Bills of the Bank of England, it is stated for instance, that in 1831 the average amount was 18,651,940 *l.*; are you able to state to the Committee what portion of that amount of notes arises from the circumstance of the Bank of England having established Branch Banks, and what belongs to the Bank of England in its former condition of a Bank, before the establishment of those branches?—I am unable to answer the question; I can state what the Branch Bank circulation now is, but that is all I can state.

18. Will you explain what is the meaning of the Account entitled, “An Account of the average amount of Silver Coin received daily from persons other than Customers of the Bank?”—The meaning is, that there are a number of persons, small traders in London, who receive silver in the course of their business, and who require to have that silver converted into standard, that is, paper or gold; they consequently bring it to the Bank, having no bankers of their own, as the only place of exchange; and in order to preserve the value of the silver coinage, the Bank consider themselves forced to receive it, otherwise, it would become depreciated.

19. Is the Bank compelled to receive it?—No; but if they do not receive it, the silver coinage would become depreciated.

20. Is that by agreement with any department of Government?—It is not by actual agreement, but with the concurrence on the part of the Government that such was necessary to preserve the real value of the coinage.

21. Is that daily entry of 4,500 *l.* the receipts beyond the outgoing?—It is a receipt from persons who have no account with the Bank of England, and who have no means of disposing of the surplus silver but through the Bank.

22. Do you not also pay out silver?—Yes, to the bankers and other customers of the Bank. Since the melting of the surplus silver twelve months ago, there has been very little accumulation.

23. Do you, then, infer that the quantity of silver now coined is sufficient for the ordinary circulation of the country?—Yes, about sufficient; the balance is nearly preserved.

24. There is now no daily accumulation?—No; what comes into the Bank through the above channel, goes out again through the customers of the Bank.

25. In Account No. 12, there is a large item, “Expenses attending the circulation of 2,500,000 *l.* of Branch Bank of England notes, at eleven Branch Banks, 28,508 *l.*”; how is that taken?—The whole expenses of the Branch Banks for the year ending February 1832, were stated at 34,210 *l.* which are apportioned to the two heads of liabilities, viz. circulation and deposits, the former 2,500,000 *l.* and the latter 500,000 *l.* In that apportionment, 28,508 *l.* will appertain to the former, and 5,702 *l.* to the latter.

26. In Account No. 15, which contains a statement of the position of the Bank, what is called the Surplus of the Bank is put at 2,637,760 *l.* and among their assets is an advance to the trustees appointed by the Act of 3d Geo. 4, what is called the Dead Weight Account, put down at 10,897,000 *l.*; is that the sum which it has cost the Bank, or is that the value which they set upon that security?—That is the sum which it has cost the Bank, taking off, from the period of the original advance, certain sums for the redemption of the principal.

27–28. Has it any reference to what in the market you would estimate its value at?—No.

29. It

29. It appears that the first item is Exchequer Bills; upon Exchequer Bills do you calculate any premium?—No; if any Exchequer Bills have been purchased at a premium, the cost will be entered at such premium; but if they have been taken by the Bank originally from Government at par, no credit has been taken during the time of the Bank holding them, for any premium they might bear in the market.

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30. Have you ever paid any premium upon Exchequer Bills?—Yes, we have.

31. To the Government?—No, for those purchased in the market.

32. Are those which you have bought in the market at a premium debited with that premium?—Yes.

33. Is it the cost price of bullion at which you make the valuation, or is it the market price at the time?—The cost price.

34. When the Government discharges Exchequer Bills in your hand, they make you no allowance for premium if there be any current in the market at that time?—It is so long since the Government has had any transaction with the Bank in Exchequer Bills, excepting Deficiency Bills, that I can only refer to former periods, when no premiums were either paid or received by the Bank.

35. Does the Account of Cash and Bullion include the gold coin in the other Return?—Yes.

36. If an estimate is taken of 40,000 *l.* a year for the rent of the Bank Buildings, should you not take an estimate of the capital value of those buildings, in your statement of the situation of the Bank?—If the Bank were to render an account such as has been alluded to, certainly they would.

37. Do the bank notes of 18,051,000 *l.* include the bank notes issued at the Branches?—Yes.

38. Do the private deposits of 5,738,000 *l.* include the private deposits for the Branches also?—Yes.

39. On the other side of the Account, does the amount of bills and notes discounted, 2,951,000 *l.*, include the bills and notes discounted at the Branches?—Yes.

40. And the cash and bullion, 5,293,000 *l.*, includes the cash and bullion at the Branches?—Yes.

41. The loans and mortgages means mortgages of land, does it not?—Yes.

42. There is a sum advanced on security on various articles, what is that?—There are various items not realized which are in a state of uncertainty, such as discounted bills unpaid. The Bank are in the habit of writing off such loss as may be estimated to attach to discounted bills unpaid; but the remainder may be some years before it is realized; that amount, therefore, remains at the credit of the general Account of Assets. There is also house property belonging to the Bank, of the value of upwards of 100,000 *l.*

43. But there is nothing included for the Bank itself?—I believe not; but the Accountant can answer this question, if necessary.

44. What is the cause of the difference in the sum of Bank capital due to proprietors, 14,553,000 *l.*, and the permanent debt due to Government, 14,686,000 *l.*?—It is a sum of 133,000 *l.* which the Government owe more than the amount of the capital stock of the Bank proprietors; it arises out of some settlement of a very old date, which I cannot personally explain, but which the Accountant can answer.

45. Can you state how it comes that the annual expenses of 1830 are not far from double the annual expenses of former years?—It arises from a very large sum written off for the forgery of Mr. Fauntleroy.

46. What was the amount of that?—The total loss was about 360,000 *l.*; but the whole of which is not contained in the item referred to; part was paid before. I believe about 250,000 *l.* was written off in the year 1830.

47. What is the cause of the considerable increase in the year ending the 29th of February 1832 over 1831?—It arises from the heavy losses sustained from the West India and other interests in discounting bills; I think there was a loss of about 80,000 *l.*

48. Do you suppose that there is any portion of the loss by Fauntleroy in that of 1832?—No.

49. What is the explanation of "Branch Banks Deficit, 17,859 *l.*" in the year ending the 27th of February 1830?—I believe it to be the balance due for the expenses of establishing the Branch Banks.

50. In Account No. 17, the Dead-weight Account is put at a profit of 451,415 *l.*; the actual receipt of the annuity is 585,740 *l.*; can you state how you apportion

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the difference to the reimbursement of capital?—There is a regular calculation in the Bank, commencing with the period from which the annuity was taken, to its termination, showing how much capital, appropriated every year, will redeem the original outlay, and which is appropriated accordingly.

51. So that the Committee is to understand that upon that principle you would find yourselves at the end of the term of years with your capital received back, and that the profit has been the interest received?—Certainly.

52. Is that capital, so received back, carried to an account at the Bank?—It merges in the general assets of the Bank for re-investment, if they think fit to re-invest it.

53. Is, then, the value put upon that item, in the State of the Account of the Bank, which is 10,897,000 *l.* an outstanding capital not yet redeemed?—It is.

54. Then the effect of it will be, at the period of the expiration of the annuity, to have the same money capital as at the commencement?—Certainly.

55. In No. 19, does Gold and Silver Bullion include Coin?—Yes.

56. Does the sum of 106,000 *l.* the expense of issuing Bank notes, include stamps?—No.

57. In Account No. 20, the Salaries and Pensions are stated to amount, in the whole, to 243,000 *l.*; now in the preceding Account, the salaries and pensions are only stated at 218,000 *l.*; can you state the reason of that difference?—In the latter case, it is exclusive of the salaries, &c. paid at Branch Banks.

58. With respect to the 193 pensioners, are they not old clerks retired upon superannuation allowances?—They are.

59. In the Account of Net annual Profits for the year 1830, it appears that the profit amounted to 930,786 *l.* and the dividends in 1830 amounted to 1,164,234 *l.*; consequently, a portion of that dividend must have been paid out of the capital of the Bank; how do you account for that?—The difference was paid out of the surplus profit.

60. What is the explanation of the words in the heading No. 30, of Country Bankers “who do not take fixed amounts for circulation?”—There are Country Bankers who have never issued their own notes, but confined their issues to the notes of the Bank of England. There are other Country Bankers who have applied to the Bank of England to withdraw their own circulation, and to adopt the circulation of the Bank; and in those cases the Bank have required a statement of what the average amount of their circulation has been, and to that extent the Bank has agreed to furnish Bank notes for circulation at a reduced rate of interest, three per cent.

61. That is what you call a fixed amount of circulation, to which the Branch Banks are in the habit of accommodating country bankers?—Yes.

62. Upon what criteria do you fix the circulation of the Banks newly established?—That has formed a matter of some difficulty, and been a subject of negotiation. When a bank was not previously established, it was not possible to obtain any statement of what their circulation would be; it must depend upon the nature of their business, and the extent to which that business would require circulation, which could only be ascertained by experience.

63. In those cases, has any limit been fixed?—It has been fixed in some cases; there are two, I think, not yet fixed.

64. Does this include any joint stock companies, or merely the country bankers?—Both.

65. In No. 30, there is an account of thirteen country bankers who do not take fixed amounts for circulation; are there any bankers that do take fixed amounts?—There are, I believe, eleven.

66. Can you furnish an account of the country banks or bankers who do take fixed amounts for circulation?—Certainly. There are three classes of country banks that act with the Branch Banks. The first is, the banks that act with the Bank of England circulation, and always have done so; the second are, the country banks who have adopted the Bank of England circulation in lieu of their own; and the third are, the country bankers who issue their own notes, but who keep their accounts with the Bank, and have been supplied with coin.

67. You have furnished an Account with regard to the first and the third classes, and with regard to the second description you will furnish an Account?—Yes.

68. With

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68. With reference to Account No. 34, can you state to the Committee whether there is any particular circumstance which has caused so great an increase between 1830 and 1831, as it appears that it has grown from 700,000*l.* to 1,718,000*l.* in one year; is that a growth from natural causes or from any accidental circumstances?—I believe it to have arisen from the particular state of the money market in London; the great contraction which existed in London during the year 1831, rendered it difficult for those bankers who have discounted with the Bank of England to obtain the same facilities in the London market which they formerly possessed, they consequently applied for a further issue direct from the Branch Banks.

69. Do you wish the Committee to infer that that is likely to continue, or that it is merely an accidental circumstance?—I should think it is accidental, and that it is likely to last no longer than the scarcity of money continues in London.

70. With reference to Account No. 37, has any coin been transmitted from the Branch Banks to the Bank of England?—There may have been some guineas and half sovereigns, but to no very large amount.

71. Are the losses of the Branch Banks included in the general Account before the Committee?—Yes, they are.

72. What is the principle by which in ordinary times the Bank is guided in the regulation of their issues?—The principle, with reference to the period of a full currency, and consequently a par of exchange, by which the Bank is guided in the regulation of their issues (excepting under special circumstances) is to invest and retain in securities, bearing interest, a given proportion of the deposits, and the value received for the notes in circulation, the remainder being held in coin and bullion; the proportions which seem to be desirable, under existing circumstances, may be stated at about two-thirds in securities and one-third in bullion; the circulation of the country, so far as the same may depend upon the Bank, being subsequently regulated by the action of the Foreign Exchanges.

73. By the circulation of the country, do you mean the whole circulation of the country, and not the country circulation?—The whole circulation of the country.

74. When you say that as a general principle you think it desirable to have one-third of bullion in your coffers, against your circulation, you mean to include in that circulation not only your paper out, but all deposits, whether of Government or individuals?—Yes.

75. In short, all liabilities to pay on demand?—Yes.

76. And you hold the liability to pay on demand arising from a deposit, to be an equivalent to a note out?—I hold it to be that sort of liability which the Bank are bound to provide for by a reserve of bullion.

77. Do you think the liability arising from the deposit to be more dangerous to the Bank as to sudden calls, or less dangerous to it than the same amount out in paper?—Less dangerous.

78. According to your description of the principle upon which the affairs of the Bank are conducted, do not the Directors of the Bank of England possess the power of regulating the whole circulation of the country?—The Bank are very desirous not to exercise any power, but to leave the Public to use the power which they possess, of returning Bank paper for bullion.

79. Would the Exchanges be corrected if the amount of currency was left wholly in the hands of the Public?—They have been principally corrected under that management.

80. Is the Bank exposed to no inconvenience, by waiting to have the correction take place in this method, in preference to itself interfering by that power to diminish the circulation in case of a fall of Exchange?—No; provided they are adequately supplied with bullion when the Exchanges are at par, and which proportion I have stated to be about one-third.

81. Does not the Bank, if it thinks proper, possess the power of extending the currency or of diminishing it, without waiting for the interference of the Public?—It has the power.

82. Would the Bank forcibly contract their issues by a sale of securities, during an unfavourable course of exchange with foreign countries, and would they forcibly extend their issues by the purchase of securities when the exchange was favourable?—I think not, except under special circumstances.

83. You mean to say that the Bank would not forcibly do that, but that it would leave it to the Public to act upon the Bank, and produce the effect at which it would arrive?—I do.

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84. It appears by the Accounts before the Committee, that for the four last years the amount of securities in the hands of the Bank varied very little; do you consider it important in the management of the Bank, to keep the securities at nearly the same amount?—As nearly as the same can be managed.

85. What is the reason why you think it necessary to keep the securities at the same amount?—Because the Public are thereby enabled, without any forced action on the part of the Bank, to act for themselves in returning notes for bullion for exportation, when the exchanges are unfavourable. If the exchanges continue favourable for any great length of time, then the influx of treasure will command an increased issue of paper, and which may derange the proportions; but it does not follow that the Bank ought, upon that account, immediately to extend its issue upon securities. When, however, it is clearly ascertained to be desirable that part of the excess of bullion so received should be returned to the Continent, then it may be necessary for the Bank to re-assume its proportion, by transferring part of the bullion into securities, still preserving the proportions of one-third and two-thirds.

86. In times of great commercial prosperity, would not the leaving to the Public the correction of a redundant currency, lead to a greater redundancy and to excessive speculation?—I think not.

87. You have stated one-third of bullion to be, in your opinion, about the proper proportion for the Bank to hold, in proportion to its liabilities; is that proportion the result of your experience in the management of the Bank?—Yes, with reference to periods of a full currency.

88. Have you any information as to whether that proportion is held, in other Banks of the world, to be the true one or nearly the true one?—No, I have not.

89. Do you consider that it is desirable for the Bank of England, under the circumstances in which it is placed, to reserve a larger deposit of bullion than it would be under ordinary circumstances of banking?—The Bank of England, under existing circumstances, appears to be called upon to retain a larger proportion of bullion than it would do, if it had merely to provide for its own circulation.

90. Will you explain what you mean by providing for its own circulation?—I mean, that provided the Bank were not liable to be called upon in the money market of London for a large supply of coin to uphold the country circulation, a less deposit of bullion would be required.

91. Must not the demand for the country circulation of gold from the Bank depend materially upon the amount of the circulation of the Bank of England, for which the country circulation have the power to demand gold?—I believe the Country Bankers are possessed of so much property, and such securities, that I can hardly contemplate that contraction of the Bank paper in London which would deprive them of the power of obtaining the amount they might require for providing themselves with coin from the Bank.

92. Are there not circumstances which may occasion a drain upon the Bank, other than what may arise from an unfavourable state of exchange?—Certainly.

93. Would not any state of commercial panic in the country, from which a run upon the country bankers may arise, send them to you for a supply of bullion, though the Foreign Exchanges were not in a position to induce the export of it?—Certainly.

94. Was not that to a considerable extent the case in the run upon the Bank in the year 1825?—I believe so.

95. Did not that run, which reduced your resources so low, arise from circumstances independent of the foreign export of bullion?—Yes.

96. Therefore after every precaution you had taken to keep your circulation in correspondence with the state of Foreign Exchanges, you are still liable to the other danger, of having to find bullion, not only for the wants of the country bankers, but to allay the fears and apprehensions of timid men who may wish to have in their possession more than in any emergency they may want?—Certainly; it is that circumstance that impresses me with the necessity for a larger deposit of bullion than otherwise would be requisite.

97. Would not that danger to which you allude, be remedied, supposing there were otherwise no objection to it, by providing by law that the country banker might make his payment in Bank of England notes?—I think that some substantial relief would be afforded by that arrangement, but it would not entirely remove the difficulty.

98. Would

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98. Would it not so far remove the difficulty, that the outlet of the coin would be at the Bank of England alone?—Certainly.

99. Was not the difficulty of which you have been speaking, in the year 1825, when there was such a run upon the Bank, unconnected with any foreign demand, in fact met by the re-issuing of the 1 *l.* notes?—At Norwich it was, and I believe at one or two other places.

100. Did any communication take place with Government, relative to the amount of circulation of the Bank in May 1825, or previous to May 1825?—I cannot answer that question.

101. Do you recollect the speech that Mr. Huskisson made in the House of Commons in May 1825, relative to the conduct of the Bank?—No.

102. At what time did the Bank become apprehensive of an altered state of affairs in 1825?—I was not in the Court in the year 1825, and am therefore unable to answer that question.

103. In the amount of two-thirds, which you think the Bank should keep invested in securities, what proportion do you calculate as necessary to be available within the period of three months?—It has always appeared to me immaterial, provided they be marketable.

104. What proportion do you consider it is necessary should be marketable?—I think all the securities of the Bank held against their liabilities, should be marketable.

105. And the Dead-weight you consider as one of the marketable securities?—Certainly.

106. Do you include the Deficiency Bills in your securities?—Yes, the Deficiency Bills are always paid off in the course of the quarter.

107. Do you consider them as marketable?—They never are sold, but they would be marketable, provided the Government consented to their being sold.

108. Referring to the circumstances of commercial alarm, which occasionally causes a demand upon the Bank, does the Bank take into consideration, that subjects of political alarm might render the Bank liable to a drain of gold from the holders of stock as well as from the holders of notes?—I have always thought it impossible for the Bank to be able, under any circumstances, to guard against political discredit.

109. Do they keep, in fact, the means of meeting any demand for gold, arising from what might be called a political discredit?—No.

110. You stated that in 1825, the supply of 1 *l.* notes from the Bank was serviceable in checking the alarm of that period; was not the Bank in the habit of issuing 1 *l.* notes prior to December 1825?—No, not subsequent to their having been called in.

111. But they happened to have a supply of 1 *l.* notes?—Yes; they were printed before the notes had been withdrawn.

112. Have the Bank now any provision of 1 *l.* notes?—They have the remainder of the stock of 1825. I believe there was an additional amount of 1 *l.* notes printed at that time.

113. Have they a considerable amount now in readiness for circulation?—I shall be very glad to furnish any return the Committee may please to order upon that subject.

114. Has the Bank considered that it might, under circumstances of commercial or political alarm, be an useful provision to have 1 *l.* notes ready for issuing?—I believe I can safely state, that of late years they have made no provision whatever with regard to such contingencies.

115. Were not the Bank restricted from signing 1 *l.* notes after October in 1826?—I believe they were.

116. Did the Bank issue any 1 *l.* notes between 1821 and 1825?—They did not issue any small notes from the time of their being called in, which I believe was in 1821 or 1822, until the year 1825.

117. Can there be any doubt that that issue of 1 *l.* notes made in 1825, had a most beneficial effect upon the transactions of this Metropolis?—I believe that it proved beneficial in stopping the run upon the country bankers.

118. You stated, that you calculated upon requiring a larger deposit of bullion, in consequence of the demands of the country banks; are you not aware that the demands of the country banks arise principally from the demands of the Public upon them, and that they are merely the medium through which the demands of the Public come?—Certainly, I presume they are the demands of the Public.

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119. Is not the general system of the country bankers this, to issue as much paper as they can, without reference to what is to become of it; or rather, is there in the whole system of banking any one body, but the Bank of England, that puts any check or restraint upon its issues from prudential considerations?—I imagine that security is the first object of a country banker; provided the securities be good which are tendered to him, and such as he considers to be strictly marketable, I imagine that he has no objection to issue his paper upon them.

120. Are not the Committee to understand it to be your opinion, that although the country banker may issue with every consideration of prudence as to the security upon which he issues, yet that the care of proportioning the issue of paper to the state of exchanges or the state of bullion of the country, is solely under the management of the Bank of England?—I imagine the Bank of England to be the only body which has knowledge of the actual state of the Foreign Exchanges.

121. And the only body that regulates its issues by that principle?—Certainly.

122. How do you regulate your issues according to the Foreign Exchanges?—By the notes being returned for gold or silver for export.

123. Do you regulate them from the returns you have of what the Foreign Exchanges are, or from the action which takes place upon the Bank?—The action which takes place upon the Bank.

124. Do you find that the alteration in the action upon the Bank is simultaneous with an alteration in the rate of Foreign Exchanges, and that it is the case invariably?—Certainly.

125. Do you not sometimes anticipate the actual action upon the Bank by the demand for gold, when you see there is a tendency in the Foreign Exchanges to produce that action?—No, we wait for the actual demand.

126. Are there not instances in which the demand for gold has continued upon the Bank, after the Foreign Exchanges have been favourable to the country?—Such a demand may have existed for the metallic circulation of the country.

127. You stated in a former answer, that you regulate your issues with reference to the par of exchange; what do you mean by the par of exchange?—I do not know how the par of exchange is to be defined by figures; an exchange below par, is the demand for gold upon the currency of this country; you may have that demand for gold at a very high exchange as well as a very low exchange.

128. You stated in one of your answers, that you had reference in the conduct of your issues to the par of exchange; but in your subsequent answer you stated that you had reference, not to the par of exchange, but to the action upon the Bank?—Such action upon the Bank is, in my view, the only evidence of the exchange being below par.

129. What is the par of exchange between two countries, one of which has a gold and the other a silver currency?—In this country, it is the price of the gold currency in the foreign market at the moment.

130. Then any thing like a permanent par of exchange between two countries, one having gold and the other a silver currency, cannot be?—It cannot exist.

131. Does it not occasionally happen, that whilst the par of exchange according to the general estimate of it with another country, France for instance, is considerably in favour of this country, and would therefore indicate a power of importing gold, there is at the same time a demand for gold upon the Bank, and an export actually taking place arising from particular circumstances abroad?—Certainly.

132. And there would therefore be a difference between the par of exchange as generally understood, and the sense in which you are speaking of it in its action upon the Bank?—Certainly. If by the par of exchange is meant the intrinsic value of coin in the two countries, the Napoleon of France and the Sovereign of this country, you may form a par upon that calculation; but gold fluctuates in price abroad, and which has a corresponding effect upon the rate of exchange.

133. When a bill for a certain amount will purchase the same quantity of gold both in England and France, supposing that gold to be gold of a certain weight and a certain standard, would you not consider that to be a par of exchange in those two countries?—I should so consider it.

134. Is it that which you alluded to in your former answer?—I can hardly define an unfavourable exchange otherwise than by a demand upon the Bank; but a demand upon the Bank will not be likely to continue for a great length of time at a high rate of exchange; there may be a temporary demand, and I may instance the years 1828 and 1829 as periods when there was a demand at a high rate of exchange, for

for about a million of gold for the supply of the Russian army, but it was evident to the Bank that it was not probable to continue; while it was in action, it was evidence of an unfavourable exchange.

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135. Can a creditor in France to any amount demand gold for payment without paying an agio for it?—I believe not.

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136. Then, do you consider that silver is the legal standard of the currency in France, and not gold?—Certainly.

137. Therefore gold not being the standard of the currency of France, but gold being the standard here, is there any thing like a fixed par of exchange between France and England?—I think not.

138. Is not gold a legal tender in France, although a creditor cannot demand to be paid in gold without paying an agio for it?—I believe so.

139. In making provision for meeting any demands for gold made upon you by the country bankers, do you not consider them as making that demand as holders of bank notes, as well as other persons to whom you have already alluded in a previous answer?—No; I consider the demand by the country bankers in times of discredit, to extend beyond the bank notes they hold in reserve.

140. Is not that occasioned by the demand which the Public make upon them?—Certainly.

141. Are the Committee to understand that the information you have given relative to the mode in which country bankers make their issues, is not from any personal knowledge you possess upon the subject?—Yes.

142. Are you aware that Committees of Parliament, in frequent recommendations to the Bank, have desired that they would always take in view the state of the Foreign Exchanges with reference to their issues of paper?—No.

143. Are the Committee to understand that you have not regulated your issues by such observation?—Not by any instruction; I merely stated that the issues of the Bank are regulated by the state of Foreign Exchanges.

144. When you stated, in your first answer upon this subject, that one-third of the reserve of bullion has reference to the par of exchange, did you mean more than this, that it had reference to a state of things in which there is no unusual demand upon the Bank for bullion for exportation abroad?—No, demand for bullion for exportation.

145. You have stated, that in estimating the danger of the different liabilities of the Bank in case of difficulty, you consider the note out to be the most dangerous liability, and the drawing account to be the least so in comparison; would you not find in reference to any case of internal difficulty, such as that which occurred in the year 1825, that the bankers and others having large deposits with you, are more likely to come *en masse* against you, than the mere circulating paper of the Bank?—In alluding to the deposits of the Bank, perhaps it would be desirable to have separated the bankers' deposits from the deposits of individuals, for it is quite certain that the bankers' deposits are more liable to be called out in times of scarcity of money, and they are called out when the deposits of individuals remain undisturbed.

146. In looking at the fluctuations that have taken place in your deposits and in your circulating paper, are not the fluctuations greater in the deposits than in the circulating paper?—No, I believe that they are not, if you exclude the bankers' deposits.

147. Taking the whole together, do not you think they are?—I think not; but I can refer for more precise information, if the Committee wish me to do so.

148. You stated, that the principle was, to keep the amount of securities in your hands nearly the same; do you, in order to effect that, restrict your discounts upon the bills of private individuals?—No.

149. Does it ever occur that the amount of private bills accumulates beyond its average amount?—Yes.

150. In such case, how do you keep the whole amount of your securities at the same amount?—By a sale of part of the Government securities.

151. Then, when you said that you have never forcibly contracted the amount of currency, you do not mean to exclude your selling securities in the market, in case the securities accumulate in your hands?—If there be a demand for an increase of the issues upon commercial bills, the Bank find the means of supplying the demand by a sale of part of their Government securities, thereby providing that the amount of their securities be not increased, but merely their character changed.

152. When a demand comes upon you from a country banker, either from any panic or from any other cause, is not the operation of a demand of this nature, that a

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banker, if he has none of your paper to come and claim bullion for, either sends up to his London correspondent to realize his securities, either his Exchequer bills, or his stock, or any thing else, or sends up the notes arising from realizing them elsewhere, and claims specie at the Bank; and does not this disposition of the country banker to throw his securities into the market, for the purpose of calling upon you for specie, meet you in the market, when, in consequence of any great demand, you are obliged to realize any securities for the purpose of satisfying his demand?—Whenever there is a great quantity of securities thrown upon the market, it must affect the value of the whole.

153. Does not his operation for the purpose of getting your bullion, become simultaneous with your operation for meeting his demand, and do not the two together produce what is commonly called distress and difficulty in the commercial world?—Provided that be his action, it certainly would have that effect.

154. When the Bank is placed in any way so as to make it necessary to strengthen their amount of bullion, how do you rank your securities according to their realizeable qualities, that is to say, which do you consider the most, and which the least commandable for your purposes; do you begin with your discounts?—No, the Exchequer bills would be the first resorted to.

155. When should you come to your discounts?—Last of all; but we should never come to the discounts till we had arrived at the maximum of the rate of interest.

156. Would the rate of interest come into your calculation in a case of that nature?—Certainly.

157. Have you, of late years, been in the habit of refusing discount of good commercial paper, from a desire to decrease your circulation?—Not that I am aware of.

158. Should you not think it a bad system for the Bank of England to be established upon, to be obliged to refuse to the commerce of the country the discount of good paper?—Certainly; but there is no alternative, provided the market rate of interest should advance beyond the maximum allowed by law; then it would become necessary to limit the amount or description of bills to be received by the Bank for discount.

159. Have you ever seen that alteration in the market rate of interest, that discounting at five per cent, the extent to which the law enables you to go, would not meet?—Not since the Peace.

160. Supposing there was no maximum rate of interest, could you check the demand for discount gradually by advancing the rate of interest?—I think that in such case, by advancing the rate of interest, that effect might be produced.

161. In 1825, during the height of the panic, when you raised the interest to five per cent, what effect did that produce?—None whatever.

162. Do you mean that the same amount of discounts took place after that, as before?—Yes, I should think at that period a much larger amount of discounts.

163. What was the reason at that time that induced the Bank to raise it?—As I was not in the Court at that time, I cannot answer the question.

164. What was the general nature of the securities upon which the Bank advanced 7,000,000 *l.* at that time?—I believe there were all sorts of securities; but as I was not a party to the advances at the time, I merely answer from information. When Pole's banking-house stopped, they deposited their title-deeds. I believe every sort of security was tendered to the Bank at that period, upon which advances were made without much inquiry as to their nature, provided they were deemed to be eventually secure.

165. Were the advances upon the deposit of deeds considerable?—I think they must have been considerable, but the period for which such general advances were made was limited.

166. It appears from the papers before the Committee, that the Bank is in the habit of buying stock; is not that a novel practice with the Bank?—It is merely one sum of 800,000 *l.*; that is the only stock they possess.

167. Then they are not in the habit of buying and selling stock?—They never have so acted.

168. At what period did that purchase take place?—I think it was about two years since.

169. Do not you hold it not to be desirable that the Bank should be buyers and sellers of stock?—Certainly.

170. Do you think it desirable that the Bank should vary frequently their rate of interest, with the alteration in the market rate?—No, I think not. I am of opinion that

that with the object of keeping their securities fixed and steady in amount, it is not desirable frequently to vary the Bank's public rate of interest; I should deem it to be preferable that the Bank's public rate of interest should be generally above the market rate, and thereby not interfere with the employment of money actually in existence.

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171. Have there been periods when the Bank's rate of interest has been considerably above the market rate of interest, of late years, and what has been the effect?—Yes, and the effect has been, that the Bank have had very little demand for discount, special cases excepted, for some years past in the London market.

172. Does it not throw a worse description of bills into the hands of the Bank?—In some respects it does; at the same time it enables many persons whose bills, though good, cannot be discounted at the market rate of interest, to obtain accommodation from the Bank.

173. Do you not hold that the discount of private paper is one of the worst means which the Bank, as a bank of issue, can adopt for regulating its notes?—Yes; provided they are adequately supplied with other marketable securities.

174. Upon what grounds do you form that opinion?—Because such a system materially interferes with the action of the private bankers of London; and further, it tends, in my opinion, to that extension of the circulation which might prove prejudicial to the Bank.

175. Then your answer applies only to a state in which discounts can be easily obtained from private bankers?—It applies to those periods.

176. Would it not have a considerable effect upon the commerce of the country, if there were a scarcity of cash for discount in the market, and the Bank of England did not come in to supply that deficiency?—I know no scarcity as affecting the circulation of the Bank of England, except discredit and such as may arise out of the foreign demand for bullion in times of an unfavourable exchange.

177. In case of a deficiency of capital for carrying on the concerns of the country, and that it cannot be procured from private bankers or brokers, would not the aid of the Bank of England in discounting bills be very advantageous to the country?—I do not know what is meant by a deficiency of capital as respects the Bank. In a time of discredit, it is extremely desirable that the Bank should grant the requisite aid to the Public, by an increased issue of their notes; and there are times when the Bank may afford considerable facilities to the commercial interests through discounts, by changing a part of their Exchequer Bills into securities of the former character.

178. Then you think that the Bank of England should be a bank of discounts only in cases of emergency?—I think so, with the exceptions above referred to.

179. Is not the accommodation of discount to the commerce of the country, one of the main objects for which the Bank has ever been instituted, and for which all banks are instituted?—As an exclusive Bank of issue in the capital, it appears to me that it cannot beneficially conduct a discount account to any great extent with individuals, except in times of discredit. When the circulation is full, a competition with the bankers would in all probability lead to excess, in addition to other difficulties which would occur in the attempt on the part of the Bank of England to regulate their issues through that channel.

180. Then you consider that it ceases to become the paramount duty of the Bank, because there are other bodies, in the shape of private bankers, and so on, that do it?—Yes, who employ the circulation.

181. What do you consider as the principal function which it is the duty of the Bank to perform?—To furnish the paper money with which the Public act around them, and to be a place of safe deposit for the public money, or for the money of individuals who prefer a public body, like the Bank, to private bankers.

182. Are not those functions the functions of a Government rather than a private company?—That is for the Government to determine.

183. Then the benefit conferred is merely the substitution of paper money in the place of specie, and not the benefit arising from accommodation to the industrious classes?—I think the Bank cannot satisfactorily offer that accommodation while their circulation is so employed by other establishments.

184. What establishments do you allude to?—The bankers of London and the country.

185. How do those other establishments manage it, without being issuers?—By the employment of deposits.

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186. Then they employ that money through your notes?—Yes, they do.

187. By what means does the Bank of England keep its notes in circulation?—By the securities they hold, or by the bullion they possess.

188. How do they provide for the continual issue of paper?—By purchase in the market, when any part of that which they may hold is redeemed or paid off.

189. Are those purchases necessary for any public purpose?—Yes, for the due regulation of the general currency of the country, and for furnishing an adequate quantity of paper money for the purpose of the circulation.

190. Then they take place for the purpose of supplying the circulation, as a substitute for supplying it by the common means of banking, by giving accommodation to commerce?—The paper money is chiefly supplied by the Bank of England through the purchase of securities.

191. Are you aware that during the whole of the War, when the interest of money was high, and when five per cent was rather a low interest to pay, the Bank of England were very large discounters in commercial paper?—I believe that the Bank of England could not have been discounters of commercial paper at that period if it had not been for the Restriction Act.

192. Supposing money to be worth more than five per cent, which during the greater part of the War was the case, and the interest demandable by the Bank being limited to five per cent, would not there naturally have been a great demand upon the Bank for discount?—Certainly.

193. Do not you think that the Bank of England would have very little answered the purposes of its establishment, if it had not been prepared to give circulation to the commerce of the country by means of those discounts?—I hold it to be impossible that the Bank can ever, with any propriety, issue upon discounts below the market rate of interest, without leading to an excess.

194. Did not that excess take place during the Bank's restriction?—Certainly.

195. You do not mean that if the Bank had paid in specie, it could not have discounted bills, but that it could not, paying in specie, go on to discount bills under the market rate?—That is my meaning.

196. Would there be any more danger to the Bank by having its disposable money lent out upon discounts, than upon any other security?—Certainly not.

197. Did the Bank discount under the market rate during the Restriction Act?—I believe so, for the market rate of interest was frequently above five per cent during the period of the Restriction Act.

198. You do not mean to say that one of the objects of the Bank of England is not to afford accommodation to the commercial classes, but what you mean to say is, that you do not consider it advisable that the Bank should found their issue upon commercial discounts, that that is a bad means of establishing the issue, but that, under peculiar circumstances of pressure, the Bank may come forward and assist most materially by discounting private paper?—That is precisely my view. The Bank of England is required to provide a requisite supply of paper money for the average circulation of the sphere in which it acts, and to uphold public and private credit when called upon. When commercial credit is affected, it is in such times that the credit of a great body like the Bank of England is available, and has the power to uphold the credit of the country.

Jovis, 31^o die Maii 1832.

THE RIGHT HON. LORD VISCOUNT ALTHORP, IN THE CHAIR.

*J. Horsley Palmer, Esq. Governor of the Bank of England, called in ;
and further Examined.*

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199. YOU stated in your evidence on the last day, what is the present management of the Bank of England ; under whose controul is that management?—The Court of Directors.

200. Do the whole Court of Directors interfere in the management of the general concerns of the Bank?—The whole.

201. Are they all of them aware of the state of the Accounts of the Bank?—They are ; there is a weekly Statement read to the Court of Directors, of the actual position

position of the Bank in every department, of its securities, of its bullion, and of its liabilities.

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202. Are there no portion of the Directors who have a greater controul than the others?—None.

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203. Is there no Committee of Secrecy among the Directors?—None; there is a Committee of Treasury, who may originate or suggest any measure they think fit to the Court, but such measure is perfectly free and open for the determination on the part of the Court afterwards.

204. Any thing that emanates from them must be determined upon by the Court?—Completely so.

205. Supposing the majority of the Directors disapprove of the system of management of the Bank, they might reverse the whole of it?—They might.

206. Are the Committee to understand that the whole of the Court confer in the management of the daily transactions of the Bank?—The Court do not sit daily; they sit weekly. The daily transactions are conducted by a Committee of three, but the Governor or Deputy Governor are supposed always to be in the house, and no responsible action is taken by the Committee without reference to the Governor.

207. Do this Committee, or the Governor and Deputy Governor, take steps of considerable importance, such as the sale and purchase of Exchequer Bills, and the making of discounts, without the interference of the rest of the body?—All Bills presented by the Public for discount are presented before that daily committee, and they determine upon the Bills so to be discounted; but if there were any considerable demand, unusual in its character, made upon the Bank, a communication would pass between that committee and the Governor, who would take such steps as he thought necessary for the purpose of bringing that extra demand before the whole Court, if required.

208. Are the Committee to understand that the Committee to which you have alluded, with the Governor and the Deputy Governor, do not transact any extraordinary business out of the ordinary routine without first consulting the rest of the Court?—Certainly.

209. Is the Committee of three, that sit daily, exclusive of the Governor and Deputy Governor?—Yes.

210. Is it not the case that certain bills or notes are not accepted by that Committee, but referred to the Court, when they sit?—There is a Wednesday's Committee for London notes, which consists, I think, of nine or ten Directors; all London notes pass before that Committee on Wednesday.

211. In the business so transacted by the committee, do you include the purchase of bullion?—No, the bullion is always bought by the Governor, who considers that he has no power to refuse the issue of notes for gold bullion tendered to him at the Bank.

212. Does he regulate the price from time to time?—The price of gold has been fixed at 3*l.* 17*s.* 9*d.* for the last three years. It formerly was 3*l.* 17*s.* 6*d.*; that was deemed by the late Government to be too low, and they suggested to the Bank the propriety of 3*l.* 17*s.* 9*d.* being the buying price. The price of silver, the Committee will be aware, is regulated by the course of the Foreign Exchanges.

213. Do you occasionally send specie abroad?—Very few occasions have occurred when the Bank have sent specie abroad, and those occasions have only been in times of an unfavourable exchange, and chiefly for the purpose of operating upon the Paris Exchange direct.

214. Are such transactions as those directed by the Court?—With the full concurrence of the Court.

215. Are those remittances in gold or in silver, or both?—In silver; I do not recollect any instance of gold having been so sent.

216. When you say that you send silver abroad, do you mean bullion or coin?—Bullion, different foreign coin, and bar silver; but it has not been acted upon to an amount exceeding, in the course of the last three years, a million. If the Committee wish for information upon that point, I can give them correctly what has been sent abroad by the Bank, and at what periods.

217. Has that measure been effectual for its purpose?—It appears so.

218. Has the sending of the silver bullion abroad had a greater effect, in your opinion, in rectifying the Exchanges, than if you had not followed that course, and the bullion had been exported from this country by being drawn out of your hands

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by private individuals?—I believe that a greater effect has been produced upon the occasions when the exports were made by the Bank. The Committee will understand that it may not always be in the power of individuals to act to the extent to which it may be desirable in times when the foreign markets may be extremely full of Bills upon England.

219. In what manner do you obtain a return for silver sent abroad?—In Bills of Exchange; the agent employed by the Bank purchases bills in the foreign market, and transmits them to the Bank.

220. In your opinion, has not the greatest public benefit arisen from those operations of the Bank upon certain occasions?—I believe so, in times of an unfavourable exchange.

221. Would the Bank always apply to this resource in all times of unfavourable exchange?—Not if there was a demand in the London market for silver to the extent required.

222. Has not this been done with that kind of management and secrecy, that it has not been known that the Bank were operating that way?—I do not think that it was known that the Bank were operating in that way to any extent.

223. But you think it a very fit mode to relieve the pressure for gold, by disposing of silver in that manner?—Yes; the sole operation of the Bank in using silver is to protect the gold.

224. Can any individual of the Court of Directors originate any new measure?—He has the power to do so.

225. Does it occur to you, that in the event of the foreign Exchange being unfavourable for any great length of time, there would be any objection to the Bank resorting to the measure of exporting silver, with a view of correcting that exchange, as a common practice?—If there is a regular demand at the market price to the extent to which the Bank think it expedient to sell, there is no occasion for the Bank to export; but when there is a deficient capital for the purchase of silver, then it is that the Bank may, with advantage to the country, preserve the gold by the exportation of silver, and purchasing the excess of bills in the foreign market.

226. Is it your opinion that by the operations of any individual, or any combination of individuals, the foreign Exchanges can be controlled for any length of time?—I should say certainly not.

227. You have stated, that the whole management of the concerns of the Bank depends upon the Court of Directors; if, then, any change should take place among the persons elected to be Directors in the Bank of England, might not that produce a complete change in the system of management of the Bank?—We are always liable to a different action by different individuals; every person must be responsible for his own opinions.

228. Are not all your proceedings subject to the approval of the Proprietors?—The Accounts never have been laid before the Proprietors; the question has been frequently submitted to them, and always left to the Proprietors to decide, and they have conceived it to be their interest not to demand the Accounts.

229. Could you lay before the Committee an Account of the number of shares held by each proprietor, without naming the proprietors?—The number of stockholders can be laid before the Committee.

230. Distinguishing the amount of stock held by each proprietor?—If the Committee will lay down any scale of return that can be furnished, it shall be complied with; we can give the number of stockholders, and classify them in any way the Committee may desire.

231. You stated, that the Accounts of the Bank have never been laid before the Court of Proprietors; are the Court of Proprietors aware of the system of management of the concerns of the Bank?—I presume that they must be aware of it.

232. At all events they are satisfied with it, as they do not demand the Accounts?—I suppose so.

233. Have not demands occasionally been made?—Demands have occasionally been made, but they have been rejected by such immense majorities, that there has been no possibility of entertaining the question.

234. By what means do the proprietors of Bank Stock know the system upon which the Bank conducts its affairs?—I cannot answer that question but by their supposed general knowledge.

235. Do you believe that they generally do know the system upon which the Bank is conducted?—I believe so.

236. You

236. You believe that the proprietors know the system of the management of the Bank, because you believe it to be generally known by the Public?—Yes. *J. Horsley Palmer, Esq.*

237. Are you not aware that the management of the Bank has frequently been very unjustly complained of, as to the mode in which they have transacted their business?—I do not know to what such objection may have applied; some may have objected to the action of the Bank under the Restriction Act, and the amount of Government securities they hold.

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238. Have not you heard complaints made, that the Bank has been acting capriciously in withholding accommodation, when you yourself were aware that they were acting upon principle and upon a regular system?—No, I have not; I have seen reports in the newspapers, but I never heard it stated by any body, within my own sphere, that the Bank had acted capriciously.

239. Can you recollect how long it is since there was any contested election of Directors for the Bank of England?—No, I cannot.

240. Has there been any within your memory?—There was one vote given at the last election, for an individual not included in the list of candidates. I do not recollect any regular canvass.

241. What is the amount of stock that a proprietor must hold to qualify him to vote?—Five hundred pounds.

242. What is the amount of stock that qualifies for a seat in the Court of Directors?—Two thousand pounds.

243. Does not the whole list of candidates come to the Court of Proprietors recommended by the Court of Directors themselves?—Yes.

244. Is there not an annual change?—Eight go out and eight come in, every year.

245. And those eight that come in are generally recommended by the Court of Directors?—They are.

246. There is not, in general, any application made by individuals to be placed in the Court of Directors?—Not publicly.

247. What is your opinion of the effect of eight Directors retiring each year?—I am not aware of any particular effect being produced.

248. Are you aware of any prejudicial effect?—No.

249. Is it not the fact that the Directors of the Bank of England for many years past have thought it right not themselves to be very large holders of Bank stock?—I do not believe that any Director of the Bank of England holds more than his qualification.

250. Is it not true, that in the month of May 1816, when the Bank made a most magnificent donation to the proprietors, the Bank Directors remained just as they did before, small proprietors of stock?—I believe so.

251. Has there been any change made in the duration of time for which any officers of the Bank of England have been elected, within the last year or two?—No.

252. The Governor and Deputy Governor have each been elected for a year?—Except upon the last occasion, when I have been allowed to continue, under the particular circumstances of this inquiry.

253. In the choice of new Directors, is it not the practice of the Court to look with attention at the private character of the new Director in all points of view?—As far as I have been concerned, that has been the invariable practice.

254. If an individual was to be offered as a member of the Directors, would not the Court of Directors consider it their duty to inquire into the whole character of that individual, and would they not give him that influence which, as a body, the Court of Directors have, according to the opinion they form after their inquiries were made?—I believe so.

255. Do the Bank endeavour to equalize, as far as they can, the circulation of the country, during the whole course of the year?—They endeavour to equalize the circulation of London at the termination of every quarter, within about a month of the expiration of the quarter, when they offer to the public at large the issue of any notes that may be required, at what may be deemed to be the market rate of interest, upon the deposit of approved securities; and that is done for the purpose of relieving the scarcity that may be supposed to arise from the payments into the Exchequer.

256. How long is it since that regulation has been adopted?—About three years.

257. Has it not been attended with the most beneficial consequences?—It has been stated so.

258. And you believe so?—Yes.

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259. By good securities, do you mean all Government securities, including stock?—The Bank have of late, upon one occasion, advanced about 300,000 *l.*; upon stock; but only upon one occasion, and that was under particular circumstances.

260. When measures of importance are about to be taken with respect to the enlargement or contraction of the issues, are the Directors at large consulted, or are steps of that sort taken on the responsibility of a select portion of the Directors?—The Court of Directors are apprised of every transaction of that sort as it occurs.

261. Before it occurs, or afterwards?—I can hardly say before it occurs, because there may, at times, be a day or two intervening. The Governor is supposed to have the responsibility, for a few days between the intervening Courts, of taking any measure of that nature that may be deemed desirable.

262. Practically, he and the Select Committee conduct the business of the Bank in the intervals between the sittings of the Court?—Yes; but nothing of any consequence can be acted upon without the full knowledge and concurrence of the Court of Directors; no action of any extent, that ever I was aware of, has taken place, without the Court being apprized of the principle that governed that action.

263. How is the Select Committee formed; is it by rotation, or by agreement amongst the Directors to attend?—It consists of the senior Directors of the Bank, who have passed the chair.

264. Then no person is on the Select Committee who has not passed the chair?—No, with the exception of the Director immediately succeeding in rotation to the Deputy Chair.

265. Does the Governor himself extend or contract the currency without communicating with the Directors?—I never knew a Governor take upon himself the responsibility of acting to any extent without the concurrence of the Court of Directors.

266. Is it unusual upon any extraordinary emergency to summon the Court specially?—Certainly not; if an emergency were to arise similar to the year 1825, the Court would be specially summoned, and they were so during that period.

267. With reference to some of the great principles of management that you mentioned on the former day, such as not favouring commercial discount, and acting, in contracting your issues when the exchange is adverse, according to your definition of an adverse exchange, have those principles been recognized and discussed by the Directors at large, or are they principles only called into action by the Select Committee as the occasions have arisen?—All matters relating to management have been recognized by the Court at large.

268. After discussion?—Discussion has taken place, and the principle has been recognized.

269. Were you rightly understood, that in the event of an unfavourable Exchange for a length of time, the Court of Directors took no measures, by contracting their issues, to amend the course of Exchange?—I mean to maintain, that the Court of Directors have taken no measures, within the last period of eighteen months or two years, for the purpose of contracting the circulation; that the contraction has been effected almost entirely by the return of notes for gold and silver.

270. How long have the Bank conducted their affairs upon this principle?—The Bank have not had the power of acting upon any fixed principle till a late period, subsequent to the year 1825.

271. Why was that?—From various circumstances that existed prior to that period; from the year 1819 to 1822, the preparation for return to cash payments under the Order of the House of Commons,—the conflicting character of the circulation of the country and London, governed as the country was by a small note circulation. So long as the Bank was liable to that internal demand, the Bank could hardly be expected to adopt any system such as I have alluded to.

272. Will you explain more at large, in what way the state of the small note circulation operated so as to interfere with the management of the Bank?—It rendered the Bank liable to a very great sudden demand; for instance, in the end of the year 1825, the demand upon the Bank was nearly two millions and a half sterling for the support of the country circulation, when the Exchanges were nearly at par, if not entirely so, and which placed the Bank in a very peculiar state of difficulty. The whole difficulty of that period, with regard to bullion, arose from the magnitude of that demand.

273. You conceive the magnitude of that demand was very much increased by the small note circulation of the country?—I consider the demand was almost entirely to uphold the small note circulation.

274. Will

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274. Will you explain why you are of that opinion?—Because the holders of small notes are the lower orders of the people, whose fears are more extensively acted upon in times of distrust, and there having been no exchange for the 1 *l.* note but the sovereign, the demand upon the Bank became inevitable.

275. Were you not also pressed for gold very much by the London Bankers, who were called upon to send it to bankers in the country for that object?—That was the channel through which the supply was sent to the country.

276. At what date were the Bank compelled to withdraw their own 1 *l.* notes?—They were not compelled to withdraw their 1 *l.* notes when that measure was adopted; the Bank anticipated the period; I think that it was in 1821 they paid off the notes of that description.

277. The period was in 1822 when the Bank would have been bound to pay them, was it not?—I believe it was.

278. Would not the Country Bank notes have been abolished in 1823, if Parliament had not in 1822 extended the period for 1 *l.* notes ten years longer?—Yes.

279. Was not that at the suggestion of the Government of that day?—I do not know whether any other parties promoted it.

280. You have stated, that there was a great drain upon the Bank for coin in a certain period of 1825, for the country circulation; have you the means of distinguishing pretty accurately what bullion is drawn out for purposes of internal demand, and what for foreign export?—It is difficult to ascertain that correctly, but we have the power of forming an opinion from the channels through which it passes.

281. Have you the means at the Bank of showing those precise circumstances in 1793; what proportion of the demand at that time was for the country bankers, and what was the demand for export at that time?—I cannot answer that question without reference, but I will make inquiry whether the information can be given.

282. Has the demand for gold upon you for the purpose of internal circulation, been materially diminished since the circulation of 1 *l.* notes has been prevented?—The occasional demand has been obviated.

283. Has there not occasionally been a pressure for such gold, nearly amounting to the pressure that took place during the time of the circulation of one-pound notes?—During the last fortnight, there has been a very considerable pressure for an internal demand, but that I take to have arisen from a totally different cause; the demand has been one of political discredit, and the Committee perhaps will understand the character of that discredit, when I mention that there is no return to the Bank, down to this day, of any part of that issue.

284. Is it not true that when, upon a recent occasion, the Bank of England gave notice that they would lend money upon securities at four per cent, which they have done lately at an earlier period than they were accustomed to do, that that very act upon the part of the Bank had the effect of putting an end to that run, like magic?—Not for gold.

285. Can you state whether the gold went to Scotland, or England, or to what particular part, in the last fortnight?—In the last fortnight, the Bank sent down to the Branch Banks about 400,000 *l.*; they have issued to the London bankers about 400,000 *l.* more, and I believe the London bankers generally paid bank notes, leaving the Bank to pay the gold for the notes at the Bank itself. The issues to the Branch Banks and to the bankers were, together, about 800,000 *l.*; the issue to the Public, at the counter of the Bank, was about the same amount; making in the whole about 1,600,000 *l.*; and in addition, the sum that went out for the dividends, in April, has not returned. The common course of circulation is, that what goes out for the dividends at the commencement of the quarter, comes back towards the termination. Therefore I believe the whole absorption at the present time to be near two millions sterling.

286. Was there no demand for the Scotch Banks, that you could ascertain to be for the Scotch Banks?—Only by conversation.

287. What conclusion would that conversation lead to?—It would lead to the supposition that the amount was about 100,000 *l.*

288. Does not the demand for the internal circulation, made upon the Bank of England, come through the London bankers, and not direct from the country bankers?—It comes through the London bankers and the Branch Banks.

289. Can you state the relative proportion of the demands for gold within the last fortnight at these three places—at Birmingham, Manchester, and Liverpool, and

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in what degree they differ?—At Birmingham, 154,000*l.*; Manchester, 118,000*l.*; at Liverpool, the receipts and issues were nearly equal.

290. What particular characteristic did that political demand assume, according to the opinion of the Bank; was it from discredit, or was it from any other assignable cause?—It appeared to have the character of political discredit (this is merely information that I received from other persons,) from the sale of stock by small holders, who demanded sovereigns for the notes they received for the stock sold. My opinion is founded upon the fact, of a number of persons applying for one, two, or three hundred pounds, who stated the demand to be in payment of the stock sold. They appeared to be persons of respectability.

291. Did it appear to you that the demand for gold was for the purpose of forwarding any political end?—I think it was one of alarm entirely; and I apprehend it was alarm, because the gold does not circulate; the gold is clearly to this moment in the possession of the parties who received it; and the consequence has been that contraction of Bank paper in the London market which has raised the rate of interest from three per cent, which I believe existed before the demand, to four per cent.

292. Then this sudden demand will account for the derangement of your proportion of the quantity of precious metals which you hold, as compared to the securities which you hold, which you stated it to be your endeavour generally to regulate by keeping it at one-third?—The Bank would now have, I think, upwards of 7,000,000 in their possession, had it not been for this demand.

293. You stated, that you considered the Bank ought to have two-thirds of securities, and one-third of bullion; is that proportion altered by the circumstances to which you have alluded?—I wish the Committee to understand that when I used the terms two-thirds and one-third, I meant to allude to the period of a full currency prior to the commencement of a demand; the progress of a demand reduces the proportions; but when the demand ceases, and the exchanges reassume a favourable character, then we are in a progressive state to reassume our proportions.

294. What was the amount of bullion of which the Bank was possessed upon the 1st of May?—8th May, 6,090,000*l.*; 29th May, 5,320,000*l.*; purchase between those periods about 700,000*l.*

295. In consequence of the market rate of interest having risen to 4 per cent, has there been an increased demand upon the Bank for discount within the last fortnight?—No, not to any extent.

296. Contemporaneously with the internal demand for gold within the last ten days or fortnight, of which you spoke, was there an external demand, or the reverse?—A very large import of gold, and the importation now is upon a very extensive scale.

297. Is that a natural influx, or at all forced?—No, it is a natural influx at a very high exchange.

298. Do you suppose the influx you have mentioned, to have nearly counter-balanced the outgoing?—Not yet; but I think the bullion held by the Bank subsequent to the drain was about 5,000,000, and since the drain has ceased it has accumulated to 5,500,000.

299. What was it before the drain began?—About 6,500,000*l.*

300. Do you suppose that any portion of that internal drain is returning, or has returned?—I believe none has returned yet.

301. Does it now continue?—No.

302. How long has it ceased?—I think about a week.

303. During the last ten days or fortnight, have not you refused to exchange your notes for gold?—We refused, for a few days, to give notes for the gold, from an apprehension of the time that it would take the clerks to exchange them; all the gold that comes into the Bank from individuals is forced to be weighed and counted, and therefore it takes as much time to receive it as to pay it.

304. Do you not weigh it in a lump?—We weigh it out to the public in that form, if they desire it; but we never receive it from the public in that form.

305. How much can you pay in a day over the counter, without weighing it?—I should think about 200,000*l.* to individuals; but the Cashier can answer that better than I can.

306. Is that by counting every sovereign?—Counting the sovereigns.

307. If it is demanded in large quantities by bankers, would it not be delivered in bags?—Certainly.

308. In

308. In that case you can pay a much larger amount than 200,000*l.* a day?—*J. Horsley Palmer, Esq.*
Certainly; almost any sum.

309. It has been asserted that the Bank do not afford facilities to persons for the purpose of exchanging their notes into gold; is there any foundation for that assertion?—I think not.

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310. What is the largest amount that you ever remember at any period being paid by the Bank in gold, in exchange for its notes, in one day?—During the recent applications, 307,000*l.* was paid in one day, part of which was paid by weight.

Largest amount of Gold Coin that can be paid in one day by about 25 Clerks, at the Bank, if counted by hand by the Public, about - - - - £.50,000.

When large sums are applied for by Bankers, or others, the practice of the tellers is, to count 25 sovereigns and put them into one scale, then 25 more into the other scale, and, if they balance, repeat the operation until there are 200 in each scale. In this way, 1,000 sovereigns can be counted in a few minutes; and this method was generally adopted on the 12th, 14th, 15th, 16th, 17th and 18th of May.

In the above manner 307,000*l.* were paid to the bankers and others on the 14th May 1832, irrespective of sums received from the bankers and the public, (amounting to 14,000*l.*) by about 25 clerks.

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J. Rippon, Chief Cashier.

311. Does the amount that can be taken out in a day by payments of what is called "over the counter," bear any proportion to what occasionally goes out in large masses to bankers or merchants?—I should think not; bankers and merchants receive the whole by weight, for the purpose of saving time.

312. If any dealer in foreign exchanges, or any person trading with foreign countries, wants a large sum, one, two or three hundred thousand pounds, to send abroad, can he not take it out in a quarter of an hour?—In a very short time.

313. In moments of what you term political discredit, have you found your deposits operated upon by large drafts?—No.

314. Have you found that recently?—No.

315. Have the deposits usually kept about the same average amount?—They appear so.

316. Has there been any diminution contemporaneous with the late drain?—I have not observed it.

317. In the year 1825 was there any diminution in the amount of the deposits?—I believe there was an increase.

318. Were the deposits considerable before that period?—They have considerably increased since 1825.

319. Has that increase of deposits with the Bank since 1825, arisen from the want of credit in private bankers, or has the Bank laid itself out more to obtain private customers?—I do not believe the Bank has by its own acts taken any particular steps to increase the deposit accounts; very few facilities have been given by them for the purpose of increasing the amount; nor do I believe that such facilities have had the effect of increasing the accounts materially.

320. Has not the practice, of keeping private accounts with the Bank, been greatly enlarged in the last few years?—Yes.

321. Has not that been accompanied with some facilities afforded to private depositors which did not exist in the usual practice of the Bank before?—Some few facilities may have been given; but the Bank give credit to no one; they have never made any advance, for any person whatever, out of their usual course.

322. What is the nature of the increased facilities to which you alluded?—Without reference I cannot state. I believe they receive dividends upon stock by power of attorney, for persons who keep accounts with them, which they did not before; but that arose, I believe, out of the arrangement of the Branch Banks, for the customers of the Branch Banks.

323. Before 1825, if a person kept a private account with the Bank, would they exchange Exchequer bills for him?—I cannot answer that without reference.

324. Is not the Bank in the habit of advancing money upon the security of Bank stock?—No.

325. Is there not a difference between the Bank and private Bankers in this respect, that the private banker permits a customer to pay a bill with the money received the same day, whereas the Bank of England does not permit that; must

J. Horsley Palmer, Esq., not the money remain 24 hours in the Bank?—I am not personally acquainted with the working of the Drawing Office.

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326. Do you know whether any alteration was made in the practice of the Bank in that respect, at the period when it appears that the drawing accounts increased?—I do not.

327. Do the Bank allow any party that has an account with them, ever to overdraw his account?—Never.

328. Do they allow any interest in deposits?—No.

329. Do you now pay bills without being advised in writing?—I do not know, but I will furnish the Committee with a Statement of all the changes of regulation that have taken place in this department since 1825.

FACILITIES granted in Drawing Accounts, since the year 1825.

March 1825.

- 1.—The Bank receive Dividends by Power of Attorney for all persons having Drawing Accounts at the Bank.
- 2.—Dividend Warrants are received at the Drawing Office for ditto.
- 3.—Exchequer Bills and other Securities are received for ditto; the Bills exchanged, the interest received, and the amount carried to their respective Accounts.
- 4.—Cheques may be drawn for 5*l.* and upwards, instead of 10*l.* as heretofore.
- 5.—Cash boxes taken in, contents unknown, for such parties as keep Accounts at the Bank.
- 6.—Bank notes are paid at the counter, instead of drawing tickets for them on the Pay Clerks, as heretofore.
- 7.—Cheques on City Bankers, paid in by three o'clock, may be drawn for between four and five; and those paid in before four will be received and passed to account the same evening.
- 8.—Cheques paid in after four are sent out at nine o'clock the following morning, received and passed to account, and may be drawn for as soon as received.
- 9.—Dividend Warrants taken in at the Drawing Office until five in the afternoon, instead of till three as heretofore.
- 10.—Credits paid into account are received without the Bank Book, and are afterwards entered therein without the party claiming them.
- 11.—Bills of Exchange accepted payable at the Bank, are paid with or without advice; heretofore with advice only.
- 12.—Notes of country bankers payable in London, are sent out the same day for payment.
- 13.—Checks are given out in books, and not in sheets as heretofore.

Bank of England, 4th June 1832.

J. Rippon, Chief Cashier.

330. What effect has the increased quantity of deposits produced upon the general circulation of the Bank?—I have endeavoured to explain to the Committee the principle that governs the Bank's circulation, and if you include in their circulation the deposits, it has been to invest two-thirds in securities and one-third in bullion, at the period of a full currency.

331. Speaking of those deposits, such as from bankers and others, which remain for short periods, and which deposits have been formerly chiefly in the hands of bankers and now in the hands of the Bank, what effect have those produced upon the general circulation of the Town?—I do not imagine that any further effect can be produced, provided the Bank employ the proportion above mentioned in securities and bullion. I believe the Bank do not employ so large a portion of their deposits as the private bankers, in securities, from the necessity of holding a larger deposit of bullion.

332. Then in proportion as those deposits extend themselves, so the facilities to the trading class in the Metropolis are diminished?—A larger proportion of bullion will remain in the possession of the Bank than otherwise would have remained in it; that is the only effect arising from the increased deposits in possession of the Bank.

333. Is it not the fact, that the bullion in the Bank, though necessary for its own security and its facilities, does not give to the Public the same facility in carrying on their general business, as if those deposits had remained in the hands of private Bankers?—The proportion of the deposits not invested in securities is represented in bullion, which bullion is represented by Bank notes in the public circulation.

334. Is it not, according to the rule you have laid down, necessary to hold a certain

a certain proportion of bullion in proportion to the notes which, you say, represent the bullion which is invested?—In proportion to the liabilities of the Bank which exist in those deposits.

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335. Can you name any period at which the proportion of one-third in bullion was preserved?—Prior to the turn of Exchanges in August 1830, the highest amount of bullion which the Bank possessed was 12,300,000*l.*

336. Will you state what the effect of the turn of the Exchanges was upon that reserve of bullion?—The effect was to reduce it to 5,300,000*l.* within the period of nineteen months.

337. Did that produce a corresponding contraction in the currency of the Bank?—It produced a corresponding contraction in the deposits and circulation, equal, or nearly, to that amount.

338. In answer to a former question, you draw a distinction in the deposit Account, between the deposit of the Bankers and other deposits, stating, that when the exchange was adverse, the deposits of the bankers were operated upon, when the others were not; during that period of nineteen months, was that fact illustrated by the deposits of the bankers being much more operated upon than the other deposits?—Yes.

339. In what proportion?—I believe that the Bankers' deposits were diminished about one-half, and the deposits of individuals about one-sixteenth.

340. During the nineteen months of adverse exchange, was the proportion between the diminution of the bullion in the possession of the Bank, and the diminution of the deposits of the Bankers during the same period, any thing like equal?—The proportion was not equal, but there was no very great difference; the diminution of bullion is 7 upon 12, and the other is not quite half.

341. Is it not usual that your deposit accounts consist, in a great degree, of money belonging to Government in your hands?—There are two deposit accounts, one the Government deposits, and one the private deposits.

342. Are they not both deposits, and deposits of the same description?—Yes.

343. In the ten millions you give here as deposits, you include both?—Yes.

344. What proportion consists of the deposits of the Public, and what of individuals?—By the Return upon the table, the Government deposits have not fluctuated much below four millions upon the average of a whole year; they are from 3,900,000*l.* to 4,000,000*l.*

345. Then that balance is not affected by the course of Exchanges?—It has not been affected, evidently.

346. With regard to the deposits of individuals, do you make the same use of them as would be made if they were in the hands of private Bankers?—In the proportions I have stated; two-thirds in securities, and one-third in the bullion.

347. What is the nature of the securities upon which you make such investments?—They are before the Committee; Commercial Bills, Exchequer Bills, and the Dead Weight; those appear to be the three great sources of investment; there are, in addition, City Bonds to the amount of 500,000*l.*

348. Has there not been only one loan upon mortgage made by the Bank?—Only one short period, when such loans were made.

349. Is any proportion of them paid off?—It is a small proportion, nearly all is outstanding; I believe, about 1,400,000*l.*

350. Has not any increase of deposits a tendency to diminish, *pro tanto*, the amount of Bank notes, in as far as the deposits must be made in Bank notes, or something that is equivalent to Bank notes?—Certainly, either coin or Bank notes in the first instance.

351. So that the necessity of the Bank making a proportion of its investment in securities and in bullion does not follow from the fact of the deposits, but that investment is regulated by the general mass of the whole of your engagements?—The investment is regulated with reference to the whole, the deposits we possess, and what we receive for the circulation.

352. Supposing a sudden demand to come upon you, it can only come upon you in the form of a diminution of your other engagements, in the shape of Bank notes?—Certainly.

353. Your deposits, from any cause whatever considerably increasing and quickly increasing, and you not thinking it prudent to increase commercial discounts, in what mode would you increase the circulation?—The Bank cannot satisfactorily judge of the character of its deposit account, except upon a reasonable period of its continuance. They cannot judge upon a week or a fortnight's

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deposits, it must be a term of at least six months; a regular progressive increase of the deposits or depositors' accounts ought to exist, in order to satisfy the Bank that the securities from that description of money can be extended.

354. Before the adverse exchange of nineteen months duration, during which period the deposit accounts increased, and before you thought it necessary to contract the circulation, how did you extend your issues?—They were invested in the mode I have stated.

355. Commercial discounts not being approved, what mode did you prefer?—Exchequer bills, Dead-weight, &c.

356. Must not deposits made with you, be made either in coin or Bank notes?—Yes.

357. Taking the period, for example, of 1825, when your deposits increased, in proportion to the increase of your deposits would there not be a pressure upon the Public by the abstraction of so many more Bank notes?—In alluding to the period of 1825, it must be quite in the recollection of the Committee that the Bank's issue was to an enormous extent upon Commercial bills, and without any reference at all to deposits or any other cause but the demand then made arising out of the entire discredit of London. It was not the amount of deposits that could by possibility have regulated the action of the Bank at that period.

358. What period of the year do you refer to?—From December 1825 to about February or March 1826.

359. The question does not refer to the conduct of the Bank, but the object is to elucidate the effect which an increased quantity of deposits must necessarily at that time have produced upon the circulation?—The only answer I can give is, that if you withdraw money that has been employed by other parties, and place it in the hands of the Bank, where it is not employed to that extent, it would be prejudicial to the Public by diminishing the money in circulation.

360. If that abstraction of notes is prejudicial to the Public, will not there now be still more inconvenience felt by the Public by all the money which formerly belonged to assignees' estates being now paid into the Bank, and, of course, increasing the amount of deposits at the Bank?—I think the inconvenience will be limited in point of time; for, as soon as the Bank find the advance of those deposits, they will take care to employ a reasonable proportion of them.

361. What effect do you suppose that an increase or decrease of London Bank notes has upon the issues of Country Bankers?—A material increase of the Bank in London (the pivot of the general circulation) tends, in the first instance, to reduce the value of money, and, consequently, the rate of interest, upon all negotiable securities. That abundance of money renders it difficult for the country bankers to find beneficial investment for that part of the country money sent up to the capital for employment; consequently, they are forced to resort to their immediate neighbourhoods for new channels for investing their surplus money, and which tends to create additional issues in the country at an early period after the London increase has taken place. But it does not follow that a diminution of issues in London has an equally rapid effect in reducing the issues of the interior. The action of increased issues in the interior upon those of the Bank in London, are somewhat of a different character. It is evident that they may be increased without any cause originating with the Bank; in such case the consequences are the same as attend an over issue in London, viz. reduced value of money, and increased prices of commodities, from which an unfavourable exchange is produced, and a consequent drain upon the Bank for bullion, by a contraction of the London circulation to that extent which eventually shakes the credit of the interior by a withdrawal of that aid previously given by the extended country issues; the Bank is then pressed upon for assistance and an additional issue, at a time when the diminution of bullion renders it inexpedient to grant that aid; a refusal on the part of the Bank affects credit in London, which, acting upon the interior, generally affects the credit of the private paper money, and thus entails a further demand upon the Bank for coin to uphold the credit of that part of the circulation of the country. Such was the demand upon the Bank towards the close of 1825, to the extent of two and a half millions; and the Bank has since that period had to meet similar demands (in 1828, 1830, and 1832) to a considerable extent from Ireland, as well as the interior of England and Scotland.

362. Do you not conceive that the amount of the issue of Country Bankers depends very much upon the price of corn and cattle?—Certainly.

363. Are

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363. Are you not aware that a most material part of their circulation is employed in the purchase of those two articles?—Yes.

364. Do you not believe that those issues being increased, tend again to re-act upon the prices of provisions, and make them higher?—I presume they do.

365. Are you aware that those issues, as soon as they cease to be necessary in the country, are remitted to the London agents for payments?—I imagine that no issues that take place in the country upon existing prices will return until those prices fall.

366. And when those prices fall, are you not aware that those notes come in for payment to the London agent?—Certainly.

367. Does it not follow that when the Country Banker's account with his London agent is diminished, he must provide resources of another nature, to make those payments, and to keep up his account?—When the prices fall and the notes are returned, it is evident that the country banker must make provision to meet those demands.

368. Do you not, then, conceive that that necessity does of itself regulate the amount of the issues?—There is no doubt that the prices will regulate the issues of Country Banks.

369. Have you any doubt that these notes being paid in would diminish their issues?—No.

370. Have you any idea that the Bankers can maintain a larger circulation in their districts than the wants of the country at the time require?—No.

371. You used the term "over issue;" will you explain what you mean by an over issue in those circumstances?—Over issue means excess of prices, having relation to the prices of other countries. It is quite clear that a banker only issues legitimately upon a demand, and that demand arises upon the prices of the country; but those prices may, by excitement or speculation, be above their relative value with respect to foreign countries; in such case I maintain an over issue to exist; and I say this without meaning in the slightest degree to infer a charge against the Banking Interest for that action.

372. By what test would you generally measure that over issue?—By the foreign Exchange.

373. Under those circumstances just referred to, will not a greater fluctuation of price take place, than would take place if the issues were not made to that extent by the bankers?—I believe that the advance in prices is greater by the issues as now made by the Country Bankers, than it would be otherwise.

374. Will not the subsequent fall be lower?—Certainly.

375. Why will it be lower if the price is measured by the quantity of money?—Because no price is once raised beyond its relative value, without sustaining, in the reaction, a very great depreciation, and greater than would otherwise have taken place.

376. Would not that depend upon the quantities in circulation?—An excess in the circulation of Country Bankers, founded upon prices, could not have taken place had the public market, regulated by the exchange, been the only source of supply of money.

377. You admit that the amount of issue depends upon the prices of corn and cattle; are not those prices regulated by the proportion of the quantity of corn and cattle to the demand at different seasons?—I did not mean to confine my answer to corn and cattle, I meant commodities generally.

378. Then those commodities, corn and cattle, being furnished according to the seasons in various quantities, would not the price of those two articles be regulated entirely by the supply and the demand, previous to the issue of those notes which are necessary to the purposes of negotiating them?—Supply and demand generally regulate prices, except when speculation intervenes, or the contrary feeling, discredit.

379. Is not the price of corn and cattle determined by the relative supply and demand?—Certainly.

380. Is not this your view, that single articles have their prices affected frequently by circumstances wholly unconnected with the state of the circulation; but when all commodities together are affected, and affected in the same ratio, then you suppose that to arise from something that has been done with the money, and not to arise from the particular articles?—Yes.

381. Will not the price of cattle and corn and other commodities be affected

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according to the facility with which money can be borrowed upon those commodities?—Certainly.

382. Do you hold that the interest of money depends upon the amount of circulation?—No; I mean that the effect upon the interest of money, is the first effect produced by the contraction or expansion of the circulation, but that as soon as the prices are adjusted by the state of the circulation, the rate of interest may be high, or may be low, according to the nature of the demand for money.

383. Then your opinion is, that the interest of money is regulated as most other commodities are, by the supply and demand, and that money may be increased in its extent without diminishing the rate of interest?—Certainly; the rate of interest may be high and the currency may at the same time be depreciated.

384. What do you mean by depreciation?—I mean when its state is exhibited by an unfavourable exchange.

385. Does not the interest of money so far depend upon the issue, as to be affected by the increased amount of employable capital which that issue produces; for instance, if the Bank of England should issue a million of additional paper, supposing that paper to be maintainable in the place where it is issued, it would produce a million of additional capital employed, and thereby affect the amount of capital by which the rate of interest is regulated?—In the first instance it would, but as soon as prices were accommodated to the quantity of money in circulation, the rate of interest might advance, though the circulation did not diminish. Perhaps I might state the operation of the favourable exchange in the year 1830. The increase of bullion drew out in the year 1830 a considerable increase of Bank paper, and to the end of July 1830, I believe I may fairly state that the rate of discount was about two and-a-half per cent for commercial bills; but as the scarcity progressed, we saw the rate of interest gradually advance from two and-a-half per cent to four per cent. But by that I do not mean to maintain that the rate of interest would have continued at four per cent; provided the circulation had remained in that low state, prices would have accommodated themselves to that low state of the circulation, and then the rate of interest might have returned again to two and a half per cent.

386. In so far as it is impossible to have, for any length of time, what you call an over issue, and that that over issue, whether by Country Bankers or the Bank of England, must correct itself, would not the prices also correct themselves, which you suppose to be affected by that over issue?—The prices will be affected by the state of the general currency.

387. Would not the correction of the over issue come sufficiently quick upon the circulation to prevent any essential effect upon the prices?—I think that the prices must always be affected by the contraction arising out of an over issue.

388. Do not you think the correction of the over issue comes too quick for it to operate upon prices?—I think not.

389. Supposing that over issue to take place to-day, would it not, in the course of a week, find its level again?—I think not; it is a very considerable period before an over issue of Bank notes is felt; a superabundant currency is only evidenced by an excess in general prices, which occasions an unfavourable exchange; an over issue of Bank notes, which is part of the currency, may be in existence a considerable period before an unfavourable exchange arises.

390. Making allowance always for the distressing effect of political causes, do not you conceive the price of Stocks to be an index of the rate of interest?—That is a very difficult question to answer; it will to a certain degree be affected; when money is very superabundant, the Stocks will advance.

391. Do not the Public Funds very sensibly feel a contraction or expansion of the currency?—They have not done so within the last eighteen months; I should certainly say not equal to the increased value of money.

392. Do you happen to remember the price of the three per cents at the commencement of the adverse exchange when you began to correct your issues, as compared with the price at the expiration of the nineteen months when you ceased to correct your issues?—I think that the price of Consols. was about 90, and I think they were about 83 in February last.

393. Then the contraction had the effect of lowering the price?—Not lowering the price in proportion to the advance in the rate of interest.

394. Would the rate of interest very much depend upon the amount of capital at the time of seeking for temporary investment?—Certainly.

395. Is

395. Is capital seeking for temporary investment much invested in the purchase of stock?—I should think not. *J. Horsley Palmer, Esq.*

396. May not that be the reason why the rate of interest and the price of the Funds should not exactly follow one another at the same rate?—I think they have not followed each other at the same rate. *31 May, 1832.*

397. Have you ever found in your experience a demand for gold upon the Bank arising from political causes abroad, similar to what you call a political discredit at home?—I think the late unfavourable exchange has arisen entirely from political discredit abroad.

398. In the course of those nineteen months, did not you consider the unfavourable exchange caused in great part by events abroad?—I should think so.

399. In case of a foreign war, between two Powers on the Continent, would not that have an immediate effect upon the demand for gold at home, and the Exchanges?—That would depend upon the demand for gold itself; it does not follow that war would immediately effect an unfavourable exchange, unless there were a demand upon our gold currency for gold, as being more easily procured here than in any other part of Europe.

400. You have stated, that there has been lately a demand for gold which is not returned, and which you suppose to have been absorbed by hoarding; may not there be in any unsettled state of the Continent a very considerable demand for gold for similar purposes?—It is possible, certainly.

401. In point of fact, are you not aware that the very considerable demand which has been made upon the Bank from abroad, has been in consequence of loans negotiated there by foreign States for the purpose of making preparations for war?—I think not.

402. Was not that the case with respect to Russia, during the contest with Poland, when very considerable sums of money were withdrawn from you for the purpose of being sent to St. Petersburg?—I am not aware of it; in 1828 and 1829 there was a demand for the supply of the Russian army in gold, to the amount of about a million, which I stated in my former examination; but I am not aware of any extra demand during the period of the last 19 months for the purpose alluded to.

403. Have not those continental transactions alluded to, materially tended to depress your exchanges, and consequently to produce a demand upon you for bullion?—The only means we have of forming an opinion upon that question is, the quantity of foreign bills, and the character of those bills which are offered in the foreign markets; the bills that have appeared for the last 19 months, have appeared to be principally of a commercial character, as far as they have come under the observation of the Bank, or from information I have personally received, and which are clearly to be accounted for by a state of foreign discredit, rendering the parties unable to receive those commodities which they otherwise would have received in the course of their mercantile transactions; that is a commercial discredit arising from political causes.

404. Have not you had considerable demands upon you, by individuals, for bullion, which has been immediately exported to the Continent?—Certainly.

405. For what purpose do you apprehend those exportations took place?—I think bills have been purchased by those parties in the foreign markets, and brought back as a remittance to this country.

406. When the Exchange is unfavourable to this country in consequence of a demand for gold for hoarding, for purposes of that nature, on the Continent, would the exportation of silver by the Bank have the same effect in rectifying the exchange, as when the exchange was unfavourable from ordinary causes?—I should think not, if it was really required for hoarding.

407. Will you state your reason for that opinion?—Because it would be a positive absorption, without employment of the gold so required; the action of the Bank by silver upon such an occasion, could not bring back that which persons would not dispose of; we might raise the exchange very high, and we might be able to buy it in competition with those persons who were seeking that quantity for hoarding, but it would really then become a competition of price.

408. You have mentioned two drains that took place in the years 1828 and 1830; under what circumstances did they take place?—Those two drains were principally for Ireland, in consequence of the discredit of the Irish circulation, by excitement created in Ireland. One, I believe, was against the Provincial Bank,

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409. Has the circulation of 1*l.* notes in Ireland materially affected the Bank, as to its issue of bullion?—Upon those two occasions, I believe the demand was almost entirely to meet the payment of 1*l.* notes; but the Provincial Bank of Ireland can give better information than I can upon that point.

410. Has that specie been returned from Ireland?—I imagine that it must have come back in the common course of trade.

411. Can you state whether the demand for that gold arose from panic and distrust, or from mischievous excitement?—Mischievous excitement, and not from any real discredit.

412. Do you remember that at the latter period the distrust arose from Mr. O'Connell's Letter recommending parties not to take paper?—I believe that had a good deal to do with it.

413. Supposing the amount of the circulation of Bank of England notes to be 20,000,000*l.* what portion of that do you conceive to circulate in London and its neighbourhood, and what portion in the country?—I have no means of forming an opinion upon that subject which could lead to any satisfactory conclusion, the greater part decidedly in London, but the exact proportion I could not define.

414. Should not you think that nine-tenths must be within 20 miles of London?—Judging by the Branch Bank circulation, which is the only mode in which I can form an opinion, it would be two and a half millions against twenty; but in addition to that there is a considerable number of Bank notes in the hands of bankers, both in England and Ireland.

415. Would a fourth part of gold cover the country circulation of Bank of England notes?—I think one-fourth would exceed the amount.

416. If the drain for bullion from abroad proceeded, in your opinion, decidedly from political discredit there, not indicated by the Exchange being below par, and not to be traced to an over-issue of paper here, would you contract the circulation of the Bank of England under those circumstances?—The Public would contract the circulation if bullion were required for export, by returning notes upon the Bank.

417. And you would not think it prudent to endeavour to increase the circulation by purchasing Exchequer bills?—Certainly not.

418. Would not increasing the circulation at such a period have a tendency to increase the drain of bullion from this country?—It would afford facilities to the drain.

419. Have the Bank taken any measures, and what measures, for extending the circulation of Bank notes through their Branch Banks?—The measures they have taken have been, permitting individuals of supposed credit to open discount accounts with the Branch Banks; they have also afforded every facility to the transmission of London money to the country through the Branch Banks; and to those Bankers who have proposed (for the Bank have made no proposition themselves to the Bankers) to withdraw their circulation, the Bank have given the same amount of circulation in coin and Bank notes, that they previously were stated to possess in their own notes, at 3 per cent per annum upon approved bills of exchange; those are the three sources.

420. Has all that issue of money been made upon the application of Country Bankers, without any proposition from the Bank of England either by themselves or their agents?—It has, so far as my knowledge and instructions have gone.

421. Are you not aware that propositions have been made to the Country Bankers to adopt the circulation of Bank of England paper by their agents, without the intervention of the Court of Directors?—I have heard of such a proposition being made in one part of the country; and the most peremptory directions were consequently transmitted, that no correspondence shall be held with any Country Banker whatever, without its being previously transmitted to the Bank for approval.

422. You stated, that you lend your notes to the Country Banker at 3 per cent; how do you estimate the difference of expense to him between the 3 per cent he gives you, and what would be the expense of issuing his own paper?—I have no means of judging of the expense of the Country Banker's issue; I can only judge of it from the expense of the Bank of England issue, which I take to be nearly 2 per cent per annum. Upon the Return it amounts to 106,000*l.* upon eighteen

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or twenty millions; adding 7*s.* per cent duty to that for the notes in circulation, it comes pretty nearly to 1 per cent; the reserve of bullion I take to be one-third, which is, of course, one-third upon the interest received, which is another 1 per cent; and therefore it would leave to the Bank of England an apparent profit of 1 per cent upon a circulation of that nature.

423. Is not the expense of that circulation much increased by the fact, of your never re-issuing your notes?—Certainly.

424. Is not that regulation for the purpose of a better system of account?—And more convenient to the bankers that issue them; I believe the London Bankers would find it extremely inconvenient if the Bank were not to give them a regular series of numbers whenever demanded.

425. Can you state what would be the difference of expense to you if you did not adopt that plan?—I could not lay any account before the Committee that would show that saving, but it must be considerable; the notes that are cancelled at the Bank are generally but little worn.

426. Do you consider that the stamp duty you pay to Government is more or less than it would be, supposing you followed the system of the Country Bankers, of re-issuing and keeping your notes out as long as they will remain out?—I presume it is less, because, if I am rightly informed, very few Country Bankers think it necessary to pay the composition upon the circulation; they pay it upon 21 day bills, and upon bills drawn by them upon London; but I believe there are very few that pay the composition of 7*s.* per cent upon their notes.

427. Would not the issue of a Country Banker be less expensive than that of the Bank of England?—It would, because he always re-issues his notes.

428. And less expensive also, in as far as he is not obliged to keep bullion to any thing like the same extent?—I believe that he certainly does not do so.

429. Therefore, estimating the expense of your own issue at two per cent, should you think that the expense of issue to Country Bankers can be above one per cent?—I do not think it is much more; perhaps, including the reserve of bullion, it may be $1\frac{1}{4}$ per cent.

430. What inducement has the Country Banker to pay you three per cent for the use of your notes, when, if he was to use his own, it would only cost him one per cent?—It may cost him perhaps a trifle more than one, but he has this inducement, that it relieves him from all anxiety and risk of a run, and of convertibility when demanded; at least that has been the reason given by those gentlemen who have applied.

431. Upon what security is it that the advances are made at three per cent to Country Bankers?—Bills of exchange not exceeding 90 days.

432. Which it is presumed are renewed as they fall due?—They are replaced by others; they are continued by the same sort of bills.

433. Are those bills of exchange the result of actual business, or bills made for the purpose?—Bills of exchange for actual business.

434. Then the advances to them stand upon the same footing as the advances to any merchant?—Certainly, only at a different rate of interest.

435. Is it possible to form any average of the expense of the circulation of a Country Banker; must it not depend upon the number of Branch Banks he holds, and the amount of business he does?—I think the proportion of the expense of the circulation would be very nearly the same, whether he had a large circulation or a small one.

436. You stated that one of the measures taken for extending the circulation of Bank notes by Branch Banks, was by discounting for individuals; has not that the effect of bringing the Branch Banks into competition with the Country Banks?—Yes.

437. Is not that injurious to the Country Bankers?—I think the Bank of England possibly might not have adopted that course if they had not found it necessary for the purpose of giving a Bank note circulation to the country and the immediate neighbourhood; the effect of competition is certainly prejudicial to the Country Bankers.

438. Is it necessary, in order to pay the expense to the Bank of keeping up the Branch Banks?—I think it is, unless they were possessed of a larger portion of the circulation.

439. How could they become possessed of a larger portion of the circulation, if they abstained from using one of the modes by which they get their notes into circulation?

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circulation?—I am not aware of any means, but by the Country Banker acting as the London Bankers do, by using the Bank of England circulation.

440. Would you think it an advisable mode for the country, that the whole circulation of the country should consist of Bank of England paper?—I think it is, but not without the concurrence of the Country Bankers.

441. Could the Branch Banks give any advantage to the Country Bankers, to counterbalance the disadvantage of the competition, in discount?—The only advantage they would obtain, would be a complete access to the London money market, and thereby giving an access to the lowest rate of interest that exists in the Capital.

442. Do they not possess that also through their London agents?—Not with the same convenience; I apprehend if they are residing in the neighbourhood of a Branch Bank, the money would pass by letters, which is done with less risk and so far more advantageously to any Bankers requiring money in the country from London, or transmitting it to London.

443. How is there less risk in transmitting the money from the Branch Bank to London, than in transmitting it to a London agent?—Because it is done by letter.

444. Is not the communication made by letter in the same way, in the other case?—No; if you have payments to make in London, you must transmit the securities to London; but if you transmit money to London through a Branch Bank, it is by a letter of credit.

445. Is not there a further advantage to the Country Banker in this way, that if specie be wanted, which formerly at a great expense he got from London, he can get it at the Branch Bank if he becomes possessed of your notes?—I presume so.

446. Is not that a great advantage to him?—Certainly, I should think so.

447. Will not the Branch Banks supply any Country Banker with gold, who keeps an account with them?—They have hitherto done so.

448. Had not the Country Banker the same opportunity of procuring gold, by retaining in his possession the notes which the neighbouring Branch Bank circulated, previous to that accommodation being given of keeping accounts with them?—If he had the Branch Bank notes, he certainly could obtain gold.

449. When the Branch Banks were first established, did the Country Bankers keep accounts with them?—Yes, for the purpose of receiving gold; the Bank declined to allow any account to be opened with them for general purposes, where they circulated their own paper, but for the purpose of obtaining gold it was with the concurrence of the late Government that the Bank allowed accounts to be opened with the Branch Banks, and facilities were thereby afforded to the Country Bankers for obtaining gold upon the spot.

450. Had they not previously the same facilities, to the amount of the Branch Bank notes which they had in their possession?—Certainly; but prior to the Branch Bank notes being issued, it was impossible for the Country Bankers to obtain any notes for which gold could be obtained.

451. Was any charge made to the Country Banker for taking gold from the Branch Bank?—None.

452. Then it must be a considerable saving, both of expense and of risk to him, to receive the gold at the Branch Bank, rather than send to London for it?—I should think so.

453. Do not the Country Bankers in some instances make deposits at the Bank of England, previous to their obtaining an issue of gold from the Branch Bank?—The Bank never issue gold without having value for it in their own notes.

454. Do not the Country Bankers pay large amounts into the Bank of England, which they receive in gold at the Branches?—Certainly.

455. But you would not supply a Country Banker with gold in that way, unless that Country Banker has an account with your Branch?—No.

456. Do you make any distinction in your supply between a Country Bank that engages to circulate your notes, and the Country Bank that does not?—Not so far as regards gold; the regulation was established solely as a matter of convenience to the Country Bankers, at very considerable expense to the Bank.

457. Do you not charge one 3 per cent and the other 4 per cent?—For gold alone.

458. Must it not be a loss to the Bank in some instances, because, when it is said that the Country Banker is the agent of the Bank of England, it does not follow

follow that he is obliged to keep the money in his hands?—The Country Banker is not called upon, either to keep a balance or to discount with the Bank of England, he has merely to order his agent in London to pay into the Bank in London any given quantity of Bank paper, and that is issued to him in the form of gold; and therefore if the rate of interest for securities be two per cent, it is quite optional to him to raise the amount in the London market at that rate, and not discount with the Branch Bank.

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459. Do the Branch Banks issue gold for Bank of England notes issued in London?—Only as matter of convenience; generally speaking, they do not.

460. Have you ever had any remonstrances from Country Bankers, upon the subject of the mode of paying in gold, in consequence of the conduct of your agents in different country banks?—No, I am not aware of that. The principle reason why the Bank do not pay London notes in the country, is the danger of theft, and also to obviate the necessity of providing gold for the same notes at different places. It happened not a great while ago at Bristol, that Bank notes were stolen in London, and use was made of the name of a customer of the Bank at Bristol, and the notes were changed. Frauds of that nature render it desirable, excepting for persons who are personally known, not to give any exchange for London paper in the country.

461. You give to each Banker who circulates your paper a fixed amount of credit; now supposing any demand upon you in London, or any state of your bullion which obliged you to contract your issues, would not you be obliged to contract your credits to those Country Bankers?—No.

462. No alteration of your bullion in London would induce you to alter those credits?—No.

463. And you think you could maintain them without any difficulty?—Yes.

464. Have you never contracted your issues to Bankers in the country under any circumstances, even where stipulations have been made as to the fixed amount of circulation?—Never; and whenever Bankers have required any issues beyond the fixed amount, the Bank have always given every possible facility to those parties to obtain that issue from the London market. That is the mode in which a Banker not issuing his own paper obtains any further supply which his customers may require.

465. What circumstances existed at the time, to induce the Bank of England to go into the system of establishing Branch Banks?—It was at the suggestion of the late Government, originally; I think it was at the close of 1825.

466. Then it was the Government that suggested it to the Bank, and the plan did not originate with the Bank?—I believe it was a favourite measure of Lord Liverpool, but the Bank always declined it; but, just at the period of its taking place, I believe it was proposed by the Bank itself, as a remedy for that evil which Lord Liverpool thought to be so serious throughout the country, arising from the discredit of private Bankers.

467. Is it your opinion that the system of banking in London, with Branch Banks scattered through the country in the way they are, is a good system of banking for this country?—Not for banking, but for circulation.

468. And a safe system?—And a safe system.

469. How do you distinguish between banking and circulation?—I conceive that banking is better managed and more satisfactorily managed for the commercial interest of the country by individuals, than by any public body; but I think circulation, which always ought to have reference to the foreign Exchanges, and to the relative values between this and other countries, should have one centre.

470. Would it not have that one centre if there were no Branch Banks?—No; because every private Banker that issues his own paper, is a Bank of competition to that extent with the pivot of the circulation, which is at London; and acting as they do merely upon demand, without any knowledge of the action of the foreign Exchange, they are liable very innocently to issue to great excess throughout the country.

471. Supposing a system to be established throughout England, that those Branch Banks should use the paper of the Bank of England as you have already stated, that the Bank of England, in case of pressure, does not think it proper ever to contract those credits of the Branch Banks; would not the Bank of England be in danger of having scattered throughout the country all those extensive credits opened, which it had not the power of contracting?—The principle I originally stated, as that upon which the Bank believe in ordinary times it ought to be

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managed, is two-thirds and one-third; that one-third of bullion will only be contracted for foreign purposes; no matter, therefore, whether the notes be issued in the country or in London.

472. Would you not have a large portion of circulation out, because credit to those Country Bankers would be tantamount to circulation over which you had no power of contraction?—By credit, I understand notes, constituting the average circulation.

473. The question supposes now, that the Bank of England established throughout the country the system which they seemed to consider the desideratum for the circulation of the country, namely, that of having, throughout the country, Banks circulating Bank paper; would not you have out in that case a description of circulation, of which you would have no means of contraction and expansion according to the state of foreign Exchange?—If it be taken in the shape of credit to be drawn out whenever the Banker chose to apply for it, and if he applied for that credit only in times of an unfavourable exchange, there is no question that that would be an unsatisfactory mode of carrying on the circulation of the interior; but by credit, I understand that which is equal to his average circulation at all periods in existence. If a country banker has 100,000*l.* of average circulation, though it may be 90,000*l.* to-day, and 110,000*l.* to-morrow, yet the average circulation will be 100,000*l.*

474. Supposing you take up a new customer to-day, and you say, What has been your circulation; and he says 50,000*l.*; then you established with him the principle, that 50,000*l.* is the portion of credit he has with you; do you not continue that without ascertaining any variation that may take place in the circulation of that Bank, and do you not therefore continue a scale of circulation which might otherwise vary according to varying circumstances?—There are very few circumstances that will vary it; it is possible that such Bank might change its character and business, but then it must have the securities to offer to the Bank for the issue, and the credit being once allowed and issued, the reservation of one-third of that credit or issue in bullion, is quite sufficient to meet the liability of contraction.

475. Has the Bank any real means of knowing whether the paper upon which they give their credit is fictitious paper or real paper?—Only by their own judgment, and that of their agents in the country.

476. Supposing a Country Banker, who has a fixed credit, were to increase his general trade, and to require a further credit, how would that be managed?—Upon the London money market; the London money market would be opened to him just the same as it is to any other individual; his credit must purchase the aid he requires from the market; the Bank would not increase their issue, unless other Bank circulation in such neighbourhood appeared to have been withdrawn.

Martis, 5^o die Junij, 1832.

THE RIGHT HON. LORD VISCOUNT ALTHORP, IN THE CHAIR.

J. Horsley Palmer, Esq. called in; and further Examined.

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477. IN answer to a question by the Committee, you are supposed to have stated it as your opinion, that the Bank of England ought to confine itself to public transactions, and the management of the currency of the country, and not to interfere in the general commercial discounts in the Metropolis; is that your opinion, or do you wish to give any explanation upon that answer?—With reference to the answers which I have given in the former examination, I am apprehensive of having been misunderstood with respect to the opinion I entertain of the functions of the Bank in London, as a bank for commercial discounts; my intention was to impress upon the Committee an opinion, that in ordinary times the leading functions of the Bank of England have been to furnish, upon a stated principle, an adequate supply of paper money convertible into coin and bullion upon demand, and to act as a bank for safe deposit of public and private money, and in so acting, that it is not deemed to be desirable to attempt to regulate the amount of issues of the Bank in London through commercial discounts, but that there are occasions
and

and circumstances when the functions of the Bank as a bank for commercial discounts in the Capital have been and ever must be of the first importance to the country. The reasons which appear to me to exist against the regulation of the amount of issues through commercial discounts in London, arise from the magnitude of the deposits in the possession of the bankers of London and other individuals, seeking employment with which the Bank ought not, in my opinion, to interfere. The Bank, fixing a public rate of interest at which it may be willing to discount all approved bills of a given description, and being the only body issuing money *ad libitum*, within the sphere of the circulation of such bills, thereby fixes the *maximum* of the rate of interest during the existence of such notice, and consequently all persons having money already in existence to employ, must necessarily offer to lend it under the Bank's public rate, except in times of actual scarcity or deficiency of money currency. If the Bank were required to hold no other securities than commercial bills, they would be under the necessity of acting in common with all other parties, viz. by competition in the purchase of bills of exchange at the existing market rate of interest. It is that competition with private bankers and individuals in London which seems to me to be so objectionable; and if the plan hitherto acted upon answers the public objects, I can see no benefit in a change. In order to place that part of my opinion clearly before the Committee, which has reference to the period when the action of the Bank as a bank for commercial discounts in London is one of the greatest public importance, I beg to state that those functions of the Bank are exhibited when a scarcity of money or discredit exists in the London commercial money market. The market rate of interest will then advance to that previously fixed by the Bank as their public rate for commercial bills, which will occasion such bills to be immediately sent to the Bank for discount. The Bank *then* becomes the main support of the commerce of the country. A material difficulty exists under the present system, of affording, during the period of a scarcity of money, that quantity of issue which the commerce of the country might in such time require, viz. the limitation, by law, of the rate of interest to 5 per cent per annum, it being evident that in the event of the foreign Exchanges being adverse, the Bank might not only be under the necessity of raising the rate of interest to that *maximum*, but afterwards, as the only resource left, be compelled to limit the quantity or description of bills to be tendered for discount; either of which last measures would be equally detrimental to the commerce of the country.

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478. Be so good as to state to the Committee, in what respect you think the private Banker affords better accommodation to the circulation of the country towns, than would be derived from the existence of Branch Banks of the Bank of England?—I am most decidedly of opinion that all banking business is better done by private bankers than by public bodies; there are more facilities afforded in the way of credit by a private banker, than can be offered under the existing regulations by a Branch of the Bank of England, which gives no credit to any one; and there are forms required to be adhered to in acting with the Bank, which are extremely inconvenient in conducting private business.

479. Are you of opinion, then, that it would not be beneficial to the country, if the system of Branch Banks were by any means forced into general use through the country?—I think that they cannot be equally beneficial, for managing private banking business, with private establishments.

480. Might not a great body like the Bank of England, disregarding the question of profit and loss at particular places, by their operations force out of business the private Bankers, to the injury of the community?—The power would exist, unquestionably, on the part of the Bank, if they chose to abuse that power for the purpose of injuring the private Banker. The credit of the Bank is so extensive, that they might probably by improvident accommodation drive out any private Banker in their immediate neighbourhood.

481. Do you not apprehend that the Bank has, since the establishment of the Branch Banks, frequently carried on those Branches without a consideration of whether they have been productive of adequate profit to them?—I believe that the Bank of England did not consider, in the formation of the Branch Banks, what the profit would be to the Bank of England; they never were adopted as sources of profit to the Bank, nor have they proved to be Banks of any material profit.

482. If the Bank carry on those establishments, they being no longer profitable, would not such a system necessarily have a tendency to drive the private

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483. Supposing they give accommodation in a particular district, furnishing the gold necessary for the circulation, and give accommodation in various ways to a considerable extent, disregarding the result as to profit, is it probable that any private Banker could carry on his business in competition with such a system?—I can only reply to that question by saying that they have not done so, nor does it enter into their contemplation.

484. Have not you stated that in many instances they have carried on their banking when it has been no longer profitable to them?—It is quite impossible to state what the result will be of the Branch Banks, it is only four or five years since they have been established, and with reference to the system of the Bank, it takes a considerable time to obtain that sort of possession of the circulation which would remunerate the Bank for the establishments, the circulation being at last the main consideration.

485. In the same manner as the East India Company is supposed by trading to force out private traders, is it not the nature of a large corporation, like the Bank of England, to be carrying on its trade in banking in the same manner, to the destruction of private competition?—No, I think not; the Bank of England and the East India Company are manifestly different in principle; the latter are traders in competition with private merchants, but the Bank of England does not afford that accommodation which the private Banker does, and therefore never can possess that hold upon the private business of the country, which is now obtained by the private Banker.

486. In both cases, each of the two Companies is supposed not to be restricted by a consideration of the profits arising from their transactions, and the moment that restraint ceases, does not the same mischief occur in one case as in the other?—If the Bank of England were to adopt in every respect the system of business adopted by private Bankers, they might, undoubtedly, in that case injure the private banking establishments of the country.

487. Would not the advantage to be derived by the Branch Banks in competition with the Country Bankers, depend very much upon the lower rate of discount at which the Bank would discount below that of private Bankers?—I think that would be the primary mode of obtaining business from private Bankers.

488. In speaking of banking business, do you mean the ordinary business of a bank of deposits, namely, receiving deposits and lending money, or do you include circulation and issue?—I am alluding simply to banking business totally unconnected with the circulation.

489. Do you conceive that the circulation of the Branch Banks is in addition to the general paper currency of the country, or that it supplants the paper of the private banking establishments?—I think it has supplanted, in a certain degree, the issues of the private banking establishments.

490. You stated that it was impossible for the Bank, according to the system upon which they act, to ascertain what the real profit of the Branch Banks was, because the profit must depend upon the circulation; do you consider that the profit of the Branch Banks ought entirely to depend upon the increase they give to the circulating medium of the Bank of England?—I think that ought to be the foundation of the establishment of Branch Banks.

491. Do you think that any measures could be adopted to secure the Public against the Bank entering into competition by the Branch Banks with private banking establishments of the country?—I think, with the concurrence of the private Bankers, that is, the private Bankers consenting to act with the Bank of England circulation, would go a great way to remove any thing like competition between the Bank of England and the private Bankers of the country.

492. With regard to the privilege which the Bank now possesses of establishing Branch Banks, do you conceive that any restriction could be put upon that privilege to prevent the Bank entering into competition with the Country Bankers?—So long as the present system of opposition to the circulation of the Bank of England exists, I do not see what restriction can be placed upon the extension of Branch Banks by the Bank of England, should such extension be deemed to be desirable.

493. What is the nature of the opposition you speak of?—It is an opposition to the extension of the circulation of the notes issued by Branch Banks.

494. If there is that competition, do not the Branch Banks at present enter into that

that very competition with the Country Bankers which you think is injurious?—To a certain degree; principally limited, however, to the amount of Country Bankers circulation displaced by Branch Bank notes.

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495. Has the competition of the Branch Banks with private Bankers been to such an extent as to injure the profit of the private Bankers?—To the extent to which the Bank of England derive profit either from circulation supplanting that of the Country Bankers, or from deposits made with the Bank of England, to that extent they interfere with the profits of the Country Bankers which they previously derived.

496. Are the terms upon which the Branches transact business in different towns, fixed according to the rate previously charged by the private Bankers in those different towns?—I believe they were, so far as regarded charges of agency.

497. Can you say positively that the rate of discount in Warwickshire was not 5 per cent, before the Branch Bank was established?—The Bank have but one rate of interest. When they established their Branches in the country, they offered to the country the same rate of interest as existed with the Bank in London, and the Committee will immediately see the impossibility of the Bank acting upon any other principle, as regard interest, than that.

498. Do the Bank charge a commission upon discounts, at the Branches?—Never.

499. Are you aware that in many towns no bills were discounted without commission by private Bankers, previous to the establishment of the Branch Banks?—I am not aware of the actual charges of that nature made by Country Bankers; I have heard latterly that there are some parts of England where they do, and some where they do not, charge commission; I believe that in Lancashire they charge commission.

500. Would not the Bank of England establishing a Branch Bank discounting bills without commission in a town where it had been the practice to charge commission, have the effect of reducing the profit of the private Banker beyond the amount that went into the pocket of the Bank of England?—Certainly.

501. Would they not, in fact, fix a lower rate of banking business than had existed before?—Certainly.

502. And they might in that way greatly reduce the rate of profit to the Country Bankers?—Certainly.

503. Therefore the Bank of England, carrying on the business of their Branches without making a point of doing their business upon terms that would leave a profit upon each Branch, may they not carry on a competition which the private Bankers may not be able to stand against?—The whole object of the Bank of England in establishing Branch Banks, was to give a greater solidity to the circulation of the country; it was with the full concurrence of His Majesty's late Government that that object was laid down; they did not form the Branch Banks as objects of profit for banking business.

504. And so acting, they might have fixed a rate of commercial discounts which would make it impossible for private Bankers to compete with them?—The moment that Branch Banks were established in any part of the country, the rate of interest existing in London was immediately opened to that part of the country. There has been a great extension of the Branch Bank circulation in Lancashire, without any corresponding amount of discounts with the Branches in that part of the country. The consequence of the establishment of Branch Banks at Liverpool and Manchester, has been exhibited by the Return upon the table of this Committee, that very large payments have been made into the Bank in London for bills transmitted from those districts for discount at the low market rate of interest existing in London, and for which Bank notes have been issued in those districts without any advantage having been derived by the Bank in the rate of interest or discount of such bills.

505. Although you have stated that the competition between the Branch Banks and Country Bankers might be injurious in some cases to the interest of the Country Bankers, does it not appear that to the merchants and manufacturers the competition may have been advantageous?—It has been, I imagine, decidedly advantageous in the district to which I have alluded, as well as in others, from those bills, which circulated as money with an allowance of 5 per cent per annum for their unexpired terms, having been discounted in the London market at $2\frac{1}{2}$, 3, and $3\frac{1}{2}$ per cent, and so far affording to the manufacturers and merchants of the place money at a cheaper rate than previously existed.

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506. Are you aware that Country Bankers allow interest on deposits at some fixed rate?—I believe so.

507. Do the Bank ever allow interest at any rate?—Never.

508. Would not that circumstance tend to throw business into the hands of the Country Bankers?—I presume so.

509. That is, it would throw the business of deposit into the hands of the Country Bankers in preference to the Bank of England?—Certainly.

510. But if the Bank of England discount bills at a lower rate in the country than the Country Bankers have been in the habit of doing, would not a considerable portion of that discount business naturally be withdrawn from them?—I think the principal advantages of the Branch Banks has been in what I have stated to have taken place, viz. a ready access to the London market, and thereby enabling manufacturers and others to discount at a lower rate of interest than the Bank offered at its Branches.

511. In considering the terms upon which the Branch Banks should be established, have the Bank made it an essential part of their consideration to establish terms that would give a profit on each Branch to the Bank of England?—I have already stated, that the Bank established those Branch Banks with the concurrence of the late Government, without any reference to profit to the Bank of England, the object being to give solidity and strength to the whole circulation of the country.

512. Therefore, although the merchant might gain by getting his bills discounted at a lower rate, would it not be in consequence of the Bank of England carrying on the Banking business at a rate which could not be afforded by a private Banker, with whom profit was the object?—I am no judge of the extent of profit which would remunerate the private Bankers.

513. What principle guided the Bank of England in selecting the towns in which to establish Branch Banks?—I believe the selection was made of those towns which they thought would give the best centre of circulation with reference to manufacturing and agricultural districts.

514. Do you recollect whether any applications have been made by private individuals from particular towns, to establish Branch Banks?—I believe there were 500 applications in the year 1825, before the Banks were established; they were innumerable, from all parts of the country.

515. Then the establishment of Branch Banks in particular towns was not guided solely by applications from private individuals, but by the principles you have already stated?—Certainly.

516. Have the Branch Banks ever received the notes of Country Bankers in payment of bills drawn upon them in any way?—They receive the notes of private Bankers, provided the Bank holds securities from those Banks for the payment of them.

517. Would the Branch Banks take in payment of any bills in their hands, the notes of Country Bankers situated in the same town, and payable on demand in gold?—Yes; they receive the notes of a private Banker in the town, where they can send them out for receipt immediately upon being paid in.

518. Do you believe that that is the universal practice of all the Branch Banks?—When the Bank present a bill or draft for payment to any private Banker, they demand payment either in coin or Bank of England notes, and do not then receive in payment the notes issued by any other private Bank, whether resident in the same town or elsewhere. But there are particular regulations established for the government of the Branch Banks, which can be produced, and I would rather not take upon myself the responsibility of answering upon those regulations, unless they are produced.

519. Is there any record of the grounds upon which each Branch Bank was instituted in each particular place?—I believe not.

520. In the Accounts before the Committee, it is stated in the last item of the expenses attending the circulation of the Bank notes, that the circulation of 2,500,000*l.* Bank notes was attended with an expense of 28,500*l.*; that is exclusive of stamps, is it not?—Yes.

521. If it was 25,000*l.* instead of 28,000*l.* it would be exactly one per cent, but it is something more than one per cent, is it not?—Yes.

522. Then you will find that the amount of the whole of the stamps paid to Government is 70,000*l.* upon the whole circulation; taking the proportion of that 70,000*l.* which is applicable to the Branch Bank circulation, you will find that the

the charges, with the proportion of stamps, amount to one and a half per cent upon the whole circulation; now to that one and a half per cent upon the whole circulation must be added the charge upon that portion of circulation that is held in bullion, for the purpose of ascertaining what is the real charge of the circulation of the Bank; upon that portion that is lent to Bankers upon three per cent, the charge for bullion must be one third, which is one per cent; now, adding the one per cent to the one and a half per cent before mentioned, is not the total charge of the circulation of the Branch Banks two and a half per cent?—Upon that calculation, it is.

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523. Is the calculation right, or not?—I think it a just one. The Committee should understand, that in the explanation given in my first evidence, it is shown that 28,500*l.* is the proportion of the whole expenses of the Branch Banks, attaching to their circulation, as compared with 3,000,000*l.*; there are 2,500,000*l.* circulation, and 500,000*l.* of deposits, and the whole expenses of the Branch Banks were taken at 34,000*l.*

524. Supposing two and a half per cent therefore to be the charge upon this circulation of the Branch Bank, would there not remain upon that calculation only half per cent profit upon the circulation derivable to the Bank from that issue?—Certainly, but there is a further advantage derived from deposits; simply upon the issue, it would do very little more than pay the expense.

525. Upon what principle does the Bank of England pay stamp duties upon its circulation?—Seven shillings per cent, upon the average of three years.

526. Are you not aware that when Country Bankers compound, they pay the same sum?—Certainly.

527. If the whole circulation was in Bank of England notes, would it not materially diminish the revenue derived from stamps paid by Country Bankers?—It would very much diminish the duty now paid by the Country Bankers, but it would very much increase the circulation of the Bank of England, and I should think the revenue would be improved by such increase, inasmuch as 7*s.* per cent is more than what is paid by the majority of the Country Bankers circulating country notes.

528. When the Country Banker pays his regular 5*d.* for every note, would it not occasion a diminution of the stamp revenue?—My opinion is founded upon their not compounding.

529. Supposing that a certain number do compound, and that others do not, would it not be a fair inference to draw, that there is not much difference between the advantage of compounding and not compounding?—If the majority do not compound, I should infer that it is more profitable not to do so.

530. In Account No. 12. there is a head of a commission received for each of the Branch Banks; what is the nature of that commission?—A commission is received from persons who do not keep accounts with the Branch Banks, for transmitting money backwards and forwards, and as agents in collecting money for bills of exchange.

531. In No. 14. here is an account of Country Bankers that issue their own notes, and here is “Exeter 40;” does that mean that there are 40 country Banks at Exeter?—There are that number who receive coin through the Exeter Branch Bank.

532. Do Branch Banks receive the revenue?—I believe latterly the Assessed Taxes of certain districts have been paid into the Branch Banks, and the Branch Bank have sent a clerk or one of the agents, within 20 or 25 miles, to meet the collector and receive the money from him.

533. Is that in consequence of any arrangement with the collector, or with the Government?—The Bank had been quite passive, until they were requested so to act by the Government.

534. Does not that system afford a considerable saving to the Public?—I imagine so, inasmuch as the revenue has credit for the amount received in the country, upon the arrival of the mail in town.

535. How soon was the revenue credited with it before?—It depended upon the agreement made between the Country Banker and the Tax Office.

536. Do the clerks of the Branch Bank receive in payment of the revenue, the notes of Country Bankers?—They receive the notes of such Country Bankers as have made an arrangement with the Branch Bank for the receipt of their notes.

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537. Do they not receive the notes of any Country Bankers which are payable in the town where the Branch Bank is situated?—Yes, and such as are payable in London.

538. Do the Branch Banks receive notes payable in towns in the districts in which the Country Banker is situated, but in which he does not reside, or from which he does not issue his notes?—The Branch Banks receive from the collector all notes that are payable in the town where the payment is made to the agent, all such notes as are payable in the town in which the Branch Bank is situated, and all such notes as are payable in London, wherever they may have been issued.

539. Have not Branch Banks in some instances given notice to the collectors of the taxes, that they would not receive the amount of the taxes in any thing but coin or money of the realm?—If such notice has been given, it must have been under misconstruction of the orders from the Bank.

540. Are you aware that such notice has actually been given, and has been acted upon?—I am quite sure that it is contrary to the instructions of the Bank.

541. Are you aware that the Branch Banks have given notice to Country Bankers, that they would not receive those notes in payment of the King's taxes, unless a previous deposit was made with the Bank beforehand, to meet the probable or possible payment of notes for the collection of King's taxes?—Provided the Bankers are not resident in the town where the Branch Banks are situated, or where the notes are received by the collectors, or where the notes are not payable in London.

542. Then if the agent of one of the Branch Banks has given notice to a Country Banker that he would not receive his notes in payment of the King's taxes without a previous deposit being made, he has acted without the authority and direction of the Bank?—Certainly, unless he was a Banker not resident in the town where the Branch Bank was situated, or unless the Banker was not resident in the town where the notes might be received by the collector, or unless the note was not payable in London.

543. Take the case of a Banker in Newcastle, who is in the habit of receiving and remitting the Assessed Taxes from a large district of 30 or 35 miles, in which he was in the habit of receiving notes of all kinds and descriptions presented to him by the collectors, and upon the receipt of those his business was to make an immediate remittance from 10 to 15 days upon the receipt of the taxes; the Newcastle Bank received the Assessed Taxes for Gateshead, which is a mile and a half distant from the county of Durham; have not orders been given to the agent of the Branch Bank of Newcastle to refuse the notes of the Newcastle Bank in payment of the Assessed Taxes at Gateshead, until a deposit was made by the Newcastle Bank in the Branch Bank?—If such orders have been given, I am quite sure it is contrary to the Bank's instructions.

544. Do you mean to say that, at the Branch Bank at Manchester for instance, they take as money a note issued at York, provided that note is payable in London?—They do; it is a facility afforded by the Tax-office; the Bank of England transmit that note to London for receipt, and as soon as it is received the Tax-office has credit for it.

545. Is it at the risk of the Bank?—No.

546. Then the Bank take it in receipt of the revenue, but the Bank do not take it as money in any other way?—Only in receipt of the revenue.

547. In case of the failure of the Bank by which the notes were issued, who would be responsible for the loss?—The Government would follow the Country Banker for the payment; that note is Government money, until paid in coin or Bank of England paper.

548. So that the Bank has no responsibility whatever for it?—None.

549. The money is remitted by you to London, and you do not give the Government credit for that note till it actually is paid in London by your Bank notes or by gold?—No.

550. Are you aware that when the taxes were collected by the Country Bankers, they became responsible to Government for every note they took, and if a Bank failed of which they held 1,000*l.* worth of notes which they had received in payment of the revenue, they were obliged to make the loss good to Government?—I do not know what the arrangements were with the Country Bankers.

551. You stated in your evidence, that you think a single establishment would be better for the management of the circulation of the country, than having notes issued

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issued by different establishments; if that be the case, do you consider that that single establishment ought to be a commercial company, independent of the Government?—I do.

552. Will you state the reason for that opinion?—Because it has the power of giving that commercial aid which I have alluded to in the explanation I have offered to-day.

553. Why would it have the power of giving commercial aid, being independent of the Government, which it would not have if it were not independent of the Government?—I imagine that a commercial bank, formed as the Bank of England is, has the power, from the constitution of its body, of offering assistance to the commercial world which no political bank could offer.

554. Do you think that if the Bank was connected with Government, the power of granting commercial aid, in the way you have described, would be liable to abuse?—If the Bank is formed of commercial individuals, as the Bank of England now is, with a capital totally unconnected with the Government, it appears to me to answer every purpose that is desired.

555. If it was a Government bank, would it have the same facility of giving aid in cases of commercial difficulty, that a commercial body, like the Bank of England has?—I do not think that a bank formed of political individuals, or of commissioners, would have the same general knowledge of the commercial transactions of the country, as a body formed of commercial persons.

556. You think, then, that the knowledge of individuals that apply for aid, which a commercial body possesses, is essential in order to enable them to give commercial aid properly in times of difficulty?—I think so.

557. Do you think it is also important that that aid should be afforded by a body independent of any political connexions or considerations?—I do.

558. You have stated that it was only upon occasions of peculiar kind that the Bank, as now constituted, should, in your opinion, afford assistance to the commercial body in general, and not for general and ordinary purposes; do you conceive it useful that an establishment for the creation and regulation of the currency should be composed of commercial individuals?—I have stated in the answer which I have presented to the Committee to-day, the reason why I consider the Bank cannot satisfactorily regulate the amount of its issues through commercial discounts in ordinary times.

559. You are understood to state, that in ordinary times the Bank does not consider itself so much a commercial agent, as an instrument for the creation of the currency?—It is certainly intimately connected with the regulation of the currency, and though it does not regulate its issues through commercial discounts, yet it is at all times able and ready, through that channel, to afford any commercial aid which may be applied for temporarily, unconnected with the peculiar state to which I have alluded, of a great scarcity of money or discredit. As a commercial body, its rate of interest, as I have endeavoured to explain, is always necessarily above the public rate of interest, still that public rate is always open to individuals, if circumstances should arise to render such applications necessary; therefore, as a commercial body, it is at all times enabled to judge of the character of the applications so made, though they should only be occasional, yet they are at times of very considerable importance to the parties making such applications, and so far beneficial.

560. Why should the rate of interest charged by the Bank be regulated upon other principles than those which regulate the interest charged by individual capitalists?—As soon as the Bank declare a public rate at which they may be willing to issue notes, being a creating body, they immediately interfere with the employment of the deposits held by the Bankers, and who are under the necessity of employing those deposits, in the first instance, at the best rate of interest they can procure, before the Bank can be expected to issue upon their notice.

561. But as the Bank of England cannot regulate the rate of interest, why should not their dealings be the same as the dealings of individuals?—Because they would then act by competition with private Bankers and other individuals.

562. What would be the evil of that competition?—The evil would be, great liability to excess. In Scotland the banking business is governed by large public bodies, and I think their action is prejudicial; I think they tend more to excess than the actions of private Bankers. Under that impression, I am of opinion that an action by the Bank in competition with private Bankers would be prejudicial, by tending to an undue reduction in the value of money.

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563. Is it not desirable, for the benefit and the interest of the country, to have the rate of interest as low as possible?—Certainly; but reduction by competition, on the part of a body like the Bank, would tend to an excess, thereby raising the prices and turning the Exchange against the country, which would occasion a reaction more prejudicial in its effects than any previous benefit to be derived in a temporary reduction in the rate of interest.

564. Do you apprehend that competition in money is regulated by any other principle than competition in commodities other than money?—I think all competition by great capitalists is more prejudicial than that by a number of inferior capitalists.

565. You have stated that the great function of the Bank, as a great commercial company, is, in times of peculiar pressure, to come forward and assist the commercial world by means of discounts; has not, in those times of peculiar pressure, the Government itself frequently been forced to come forward and assist the commercial world?—I believe the Government, in 1793 or 1797, did issue exchequer bills to the Public, upon which Bank paper was advanced.

566. Were not those occasions when the making advances might have been accompanied with loss, which it was not to be expected a body like the Bank would expose itself to?—It was deemed the most convenient mode of affording assistance to the commercial interests at that time.

567. Then the Government itself has been forced to perform that function which you conceive to be the chief function of the Bank as a commercial body?—The Government have issued exchequer bills in aid of public works or other interests, and the issues of the Bank have been made upon exchequer bills so issued. Many years have elapsed since the Government have given any aid to individuals; I think more than 35 years.

568. Would the objection which you stated just now, be a material objection against Government taking the whole circulation of the country into its own hands?—I think it would, because the issue of exchequer bills is not a creation of money; they are securities for money, not the money itself.

569. So long as the Bank of England consider it their duty and their interest to regulate their issues by a reference to foreign Exchanges, is it possible for them to be governed by the same principles by which private individuals are governed?—Yes; if it were deemed prudent to regulate their issues by competition.

570. Would you not exclude all reference to the state of the Foreign Exchanges where it is necessary for the Bank to discount?—I think not; if it were deemed desirable for the Bank of England to make their issues upon commercial securities, they could only obtain those securities by purchase, and not by a public rate of discount; the moment the Bank declare a public rate of discount, it is an offer by the Bank to create money at that rate, and then it is that every individual holding money in his possession is called upon to lend under the Bank's public rate.

571. Supposing the Bank undertook to discount at three per cent, would not there be a risk of a great over issue?—Not if they limited the amount so to be issued; the objection to such mode of investment would consist in the effects of competition.

572. Have individual bankers limited the amount of their advances upon securities by any reference to the state of Foreign Exchanges?—I believe that individuals invest all their spare money upon securities, without any reference to Foreign Exchanges; nor do I think that Bankers are to be restricted by such reference, from investing a just proportion of the money they may hold in the shape of deposits.

573. Whether the bankers employ their money or employ their issues in discounting bills, or buying stock, or buying floating securities, is not the effect the same whether they leave the discount of bills to others, and take securities, or whether they take the bills and leave the securities, provided the same amount of capital is employed; has it not precisely the same effect upon the rate of interest, whether those securities and discounts are divided, and in what proportion they are divided, between the Bank and individuals?—Certainly.

574. Therefore it does not affect the rate of interest, whether the Bank employ their money in discount or in securities?—Excepting the effect of competition, I apprehend that a very considerable effect would be created by competition; the Bank of England being in the market investing the whole of their issues in securities, would, I think, affect the rate of interest.

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575. But whether it is competition in the discount market, or competition in the stocks, or the exchequer bill market, is it not still competition, and has it not the same effect?—It has not the same effect in Government securities that it has in commercial bills.

576. Supposing the Bank were to make advances, as they have heretofore done upon Government securities, to Government, would there not be a great probability of over-issue by that means, by the attempt to create an additional commercial discount?—The investment of the Bank being fixed in amount, it is quite immaterial whether it be made upon Government securities, or any other description of securities; the question is one of collateral consideration, whether a greater evil would arise to the Public by competition with the action of Bankers and individuals, than by the Bank buying public securities in a public market?

577. Supposing the amount of public securities of that description which are used by the Bank, namely, exchequer bills, to be reduced to a very small amount, in what way would the Bank then provide for the extension of its circulation?—It must depend upon the state of the securities that the Bank could obtain with reference to its own security.

578. Would it not then have reference to private securities, such as bills of exchange?—It might possibly.

579. Can you imagine any other mode by which it could provide for the extension?—I think it would be difficult; they might purchase Annuities for terms of years.

580. Then if there were no exchequer bills or very few outstanding, the Bank would be under the necessity of extending its commercial accommodation?—I think it would more properly be called commercial investments.

581. What was the nature of the advances made by the Bank of England in the year 1826; was it upon goods deposited, or in what way?—I think the Bank's advances in 1825 and 1826, in London, were principally upon bills of exchange; but there were commissions established in five or six other different places throughout England, where advances were made by Commissioners upon deposit of goods; I think that amounted to about three or four hundred thousand pounds, but not more. The knowledge of the willingness of the Bank to advance in those particular districts, seemed to accomplish a great part of the end intended, which was to release money in the hands of other persons.

582. At what period was that knowledge communicated to the country?—From December 1825 to February 1826.

583. You have stated generally that you conceive that under circumstances of particular pressure in London, a bank, composed as the Bank of England is, of commercial men, could afford facilities which a Government bank could not afford; do you think that in the year 1825, at the period of the Panic, if there had been a Government bank in existence, managed by commissioners, they could have afforded the same facilities, and would have been willing to have run the same risks, to relieve the credit of the commercial body in London, that was done by the Bank of England at that period?—I do not think it could have been readily managed by commissioners, when I see the magnitude of the aid that was given upon that occasion. I see, from the paper in my hand, that upon one occasion, on the 8th of December 1825, the discounts at the Bank were seven millions and a half; on the 15th, they were eleven millions and a half; on the 22d, the next week, they were fourteen millions and a half; and on the 29th, they were fifteen millions. The number of bills discounted in one day were 4,200.

584. Can you state how low the amount of commercial discounts was before it rose to that emergency?—On the 3d of November they were 5,000,000.

585. So that they rose from 5,000,000 to 15,000,000?—Yes.

586. Supposing, on the other hand, that instead of the Bank of England, or one bank of issue in London, there had been no single establishment intrusted with the London circulation, but a number of Bankers issuing their own paper in London, do you believe that they would have been willing to run the risk, and to have taken upon themselves the responsibility of making those large advances which it appears were so necessary to the security of private credit in London at that time?—I do not think it would have been possible for any number of Bankers to have done it; from the natural action of one upon the other, the balance must have been paid in coin, and it would have been quite impossible for ten Bankers, issuing paper money, to have adjusted the balance, at the time when bullion must have been reduced to the lowest possible state from foreign demand.

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587. Was there a foreign demand at that time?—It had just stopped; but the bullion was so low as to have rendered it impossible to have adjusted the balances to which Bankers so situated would have been exposed.

588. If there had been two or three great banks established in London, would not they have been so much afraid of each other, and so apprehensive of being acted upon by their rivals, as to make it impossible for them, in an emergency of that kind, to act with any confidence?—I should think it quite impossible.

589. Would not the existence of such banks have entirely depended upon their being properly supplied with coin and bullion?—If their coin be exhausted, they must stop.

590. You think, therefore, that a set of bankers, carrying on the trade of banking in London, possessed of from twenty to thirty millions of capital, would find it impossible to obtain and to keep such a supply of gold as would place them, under all the circumstances of their trade, in a situation of security?—I think so, certainly.

591. Is it not possible that if the currency of London had been for a considerable period established under the management of several banks in London at the period of 1825 and 1826, such a crisis as took place at that time might not have occurred?—It is possible; but I do not see how the action of such banks would have prevented the crisis.

592. Do you consider that the crisis that did occur, depended upon the over-issue of the Bank of England?—No, I do not.

593. Are you not of opinion that no number of private Bankers in London could ever have, in the eyes of the Public, the same credit that the Bank of England now possess?—I think they could not.

594. Is it probable that in such a crisis as that to which you have alluded, any one or two Banks, acting in competition with each other, could have extended their circulation for the relief of the Metropolis, considering the great danger to which such extension would expose them?—I think they could not.

595. Do you think that in such a crisis there would have been a tendency to general contraction among Banks acting in competition with each other in the Metropolis?—I think it would be precisely the case that does appear in Scotland; the Scotch Banks are banks of great credit and great property; but whenever a demand arises upon them, they have not the means of meeting it without coming to the Bank of England; even in the last fortnight, it is very currently stated that the Banks in Scotland had not the power of meeting the demand upon them; I believe Newcastle afforded some assistance; orders were also sent to Liverpool for a supply; and I know that a further supply went from London.

596. Did not the Bank in 1825 and 1826 run considerable risks with regard to the securities they took, looking rather to the relief of the money market than examining very closely into the securities they received?—From the magnitude of the advance, some considerable risk must necessarily have been incurred, but I cannot state what the actual loss was.

597. Do you believe that it was a risk greater than was likely to have been undertaken by private individuals in discounting?—Certainly, inasmuch as advances were made upon the simple deposit of title deeds, without having the power of examining them, relying upon the credit of the parties to whom the property was stated to belong.

598. Do you think that if there had been a competition of Banks of large capital in London previous to that period, such a competition would have prevented such a panic arising?—No.

599. Would it not have had rather a tendency to increase it?—I think so.

600. Might not that competition have contributed to prevent those excessive issues of paper which took place, partly by the Bank of England and partly by the Country Banks, in 1824, which contributed so much to produce the crisis?—I think we have always seen that in times of confidence Banks of the description alluded to have been the first to increase the circulation instead of diminishing it.

601. Was not that immense extension of discounts which took place in December 1825 by the Bank of England, chiefly undertaken in concurrence with the suggestions of the Government?—I believe not; I was not in the direction at that time, but I believe it was entirely the act of the Bank.

602. Do you consider the course adopted in 1825, at that moment of great critical danger, to have been a course adopted from a view taken by the Bank, of commercial

commercial expediency, or of political policy?—Commercial expediency; and I believe there was no kind of guarantee whatever offered by His Majesty's Government to the Bank, for their action upon that occasion.

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603. Was it not in concurrence with the suggestions of the Government, and at the recommendation of the Government that the Bank made themselves liable for the risk they ran?—I believe that the Government were quite aware of every thing that was passing, but the action was one of the Bank, as the body, and the only one, which could give the assistance in London which the commercial interest required.

604. Was there any guarantee, upon the part of the Government, to bear the Bank harmless in any measure they might undertake for the public security?—I believe not; I do not allude to any Exchequer Bills which were purchased by the desire or under the direction of Government, I am alluding to commercial aid alone.

605. Are the Committee to understand that the facilities afforded to the Public upon that occasion, were the act of the Bank, and done upon the Bank's own responsibility, independently entirely of Government?—I believe entirely so, with the exception of some purchase of Exchequer Bills.

606. Will you state to the Committee what in your opinion was the nature and the march of the crisis in 1825?—The Committee will of course understand me as expressing merely a speculative opinion, and in no way committing other parties who may have different views. I have always considered that the first step towards the excitement was the reduction of the interest upon the Government securities; the first movement in that respect was, I think, upon 135,000,000*l.* of Five per Cents, which took place in 1823; in the subsequent year, 1824, followed the reduction of 80,000,000*l.* of Four per Cents. I have always considered that reduction of interest, one-fifth in one case and one-eighth in the other, to have created that feverish feeling in the minds of the Public at large, which prompted almost every body to entertain any proposition for investment, however absurd, which was tendered. The excitement of that period was further promoted by the acknowledgment of the South American republics by this country, and the inducements held out for engaging in mining operations, and loans to those governments, in which all classes of the community in England seem to have partaken. Almost simultaneously with those speculations arose general speculation in commercial produce, which had an effect of disturbing the relative values between this and other countries, and creating an unfavourable foreign Exchange, which continued from October 1824 to November 1825, causing a very considerable export of bullion from the Bank, about seven millions and a half. The Bank were, even at the latter period, sufficiently provided with bullion for their own purposes; and, had it not been for the internal demand to which I have alluded in the former part of my evidence, would have weathered the storm.

607. What was the cause and nature of the internal demand of which you spoke?—Commercial speculations had induced some Bankers, one particularly, to invest money in securities not strictly convertible, to a larger extent than was prudent; they were also largely connected with country bankers: I allude to the house of Messrs. Pole & Co. a house originally possessed of very great property in the persons of the partners, but which fell with the circumstances of the times. The failure of that banking-house was the first decisive shock to commercial and banking credit, and brought at once a vast number of country bankers, which were in correspondence with it, into difficulties. That discredit was followed by a general discredit throughout London and the interior.

608. How did that act upon the Bank?—The moment the discredit arose, the want of confidence became so general, that there was an immediate application to the Bank for assistance upon commercial discounts and every other species of security; the market rate of interest immediately rose to the Bank's rate, and the Bank was the only resource. The discredit increased and became universal, so much so, and I am sure I say it without the slightest disrespect to any of the existing London Bankers, for greater wealth and greater property cannot exist in any body of men whatever, that almost every London Banker found himself under the necessity of providing himself, through the Bank of England, with the means of meeting the demands which arose from their depositors, occasioned by the general distrust.

609. Was not the consequence of that, that all the Country Bankers that remained solvent, but who were, from accidental circumstances, in the state of

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discredit you have described, were obliged to come upon you for specie to meet their engagements, and to meet the fears and apprehensions they entertained of what might possibly come upon them?—There were very extensive demands made by the Country Bankers direct upon the Bank, but I presume it was equally large by Country Bankers upon their London correspondents.

610. And that gold coin was sent out to every country town in the kingdom?—I believe so.

611. Did not the Banks of Scotland equally fall upon the Bank of England at the same time?—Certainly.

612. At the time that took place, was there any doubt or any discredit attaching to the Bank of England throughout that transaction?—None.

613. Had not the Bank of England specie sufficient to meet any demand that might arise from the simple difficulty of the foreign Exchanges?—Certainly; the foreign Exchanges had risen, and were in favour of the country.

614. Did not the very fact of the distress in the interior produce a revulsion of the foreign Exchanges, and bring money into the country?—Immediately.

615. But still was there not such a drain of specie from the Bank, that even that return of money from abroad was hardly sufficient to meet the demand from the country?—From the difficulty of getting the necessary supply of coin from the Mint.

616. So that at that time, when the Bank was drained so low, still the specie had not gone out of the country, but was in the coffers of the Country Bankers?—Certainly, or in the possession of the Public.

617. Was not the danger to a great degree ultimately averted by the Bank issuing, at that extreme period, its 1*l.* notes?—I believe it was; I think I alluded in my former evidence, to one or two places in which that had taken place. The 1*l.* notes were certainly a very material aid at the period when the Bank found it difficult to get from the Mint coin sufficient to meet the demand.

618. Supposing at that time the Bank of England paper had been, for the purposes of the Country Bankers, a legal tender to those who applied for payment, would not that have averted all the danger and distress which you state to have existed?—No, because the 1*l.* notes were in existence, and I believe that the demand was principally for the 1*l.* notes. If the Bank of England 1*l.* notes had been in existence and circulation, and the Bank note generally had been a legal tender, the 1*l.* Bank of England note would have answered the same purpose as it subsequently did.

619. If the Country Banker could have offered a person that came to him 5*l.* notes or 10*l.* notes as a legal tender for his deposits, would it not have precluded the necessity of his draining you of your gold for that purpose?—Certainly; but the persons making the demand, I imagine, had not the 5*l.* notes to offer; they were the holders of the 1*l.* notes only.

620. Do you suppose that the pressure upon the Country Bankers arose exclusively from the holders of 1*l.* notes?—I should think it was, so far as the demand for gold extended.

621. Then you think that in the event of such a crisis as that, the power of the Country Bankers to pay in Bank of England notes would not be a sufficient remedy, unless the Bank of England were empowered at the same time to issue 1*l.* notes?—Now it would; the 1*l.* notes having been withdrawn, I believe that a 5*l.* note of the Bank of England, if it were a legal tender, would be a total bar to any demand for gold in the interior, in times of commercial discredit.

622. Do you think it would be a desirable regulation of the circulation of the country, to establish that?—I should think it would.

623. And that it might be done with safety?—I should think so.

624. Would it not put the people of the country in this situation, that in a case of general discredit, they would have no power of getting any cash at all?—The Committee will be aware that in a case of internal or political discredit, no coin that the Bank of England can ever hold can be equal to the demands of the Public.

625. Would not giving the power to Country Banks, of paying their notes in Bank of England paper, contribute to encourage more circulation in issuing notes and over-issues of their paper, in consequence of the increased facility it would afford of providing the means of paying?—They must first get the Bank of England notes before they can have the power of using them, and the difficulty would be

be to obtain them upon the principle which must govern the Bank of England at all times except in periods of discredit. *J. Horsley Palmer, Esq.*

626. Would not the means of obtaining them be more easy than the means of obtaining gold?—No.

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627. In the way in which the Bank of England carries on its business, would not a Banker in London, or any other person wishing to obtain money, have a greater facility of getting Bank of England notes than gold?—No.

628. Would not the effect of such a system be this, that it would relieve the Bank from all danger of drain arising from internal panic, but that it would leave the Bank under the same necessity of caution in attending to the state of Foreign Exchanges?—Just the same.

629. So that it would have only one difficulty to look to, namely, that of a drain arising from adverse Foreign Exchanges?—And of internal or political discredit, which they never can provide against.

630. Do not you think it will have the effect of increasing the temptation to spread gold over the whole face of the country?—Not if the Branch Banks be continued.

631. Could not the Bank advance 5*l.* notes and 10*l.* notes at a less charge than they could advance gold?—No, the Bank are always under the necessity of keeping a given proportion of bullion against the notes they have in circulation, and nothing ought to disturb that proportion, except the Foreign Exchanges.

632. Should you propose that, under the arrangement supposed, the Branch Banks in every part of the country should be liable to pay the notes in gold?—I should think that if Parliament saw fit, and the Bank were required to afford every convenience to the country in a supply of gold for notes, it would be a beneficial arrangement that they should not be compelled at all times to pay those notes at the Branch Banks.

633. You have stated various causes which, in your opinion, produced the Panic in 1825; do you recollect any derangement of the Exchequer Bill department at that period, when the Government omitted to advertise the payment at the usual period, and what effect did that produce upon the money market in London?—I do not recollect.

634. During the period when the Panic was at the highest, the Bank of England raised their interest upon discounts from four to five per cent; was the effect of that beneficial, or otherwise, at the time?—I believe I answered that question before, that as I was not in the Bank, I could only answer from information; but I believe the motive was to limit the issue as far as possible; I do not think it had any material effect in diminishing the demand.

635. Would not the effect naturally be to check the accommodation, in proportion as the increased rate of interest would affect the increase of the issues?—It would diminish the issue as much as the Bank had the power of diminishing it; but they refused no application at that time which was deemed to be fair and reasonable.

636. Would it not naturally result, that raising the interest of the money would check the issue of your paper?—Certainly.

637. Therefore the effect of that change was to check and not to increase the accommodation?—Certainly.

638. You have stated that you are not aware of the exact amount of loss, in consequence of the discounts made by the Bank at that period; are you aware whether the loss was considerable?—I cannot answer that question; but if it is wished, I can refer, and lay before the Committee a statement of what the loss was upon paper discounted at that period.

639. When did the Foreign Exchange first become adverse, in the year prior to the Panic?—I believe the first sale of gold on the Bank's account was in October or November 1824.

640. When did the Bank of England begin to contract its issues, in consequence of that unfavourable exchange?—I think some time before that period, in July or August 1825; but I would rather refer, before giving an answer.

641. Is the supposition, then, inaccurate, that the Bank of England at that period, when the exchange was adverse, instead of contracting its issues, extended them?—The issues were extended by the contract made with Government for the redemption of the four per cents; that contract was made in February 1824, when the exchange was decidedly in favour, and gold increasing.

642. Is it an inaccurate supposition, that after the exchange had become adverse

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adverse in the autumn of 1824, the Bank, instead of contracting its issues, extended them?—If the Exchanges are taken to have been adverse at the end of October 1824, the advance was made previously to that period; the advance made by the Bank was to pay off the Dissentient four per cents, which was in the early part of October 1824, and I think the Exchanges did not operate upon the Bank till the end of October 1824.

643. Did that great operation take place by an adverse exchange or a favourable exchange, in October 1824?—Only two days ago I referred to the first sale of the Bank's gold, which took place towards the end of October 1824; I think the Bank purchased gold at 3*l.* 17*s.* 6*d.* until August or September, and which would be a proof of the Exchanges being favourable.

644. If the Bank of England 5*l.* notes were made a legal tender, would it not naturally lead to withdraw from the interior circulation much of the gold coin now in the country?—No, I do not think it would.

645. Supposing it should have the effect of withdrawing the gold coin from the interior circulation, would not it subject the Public to a great inconvenience for the want of an intermediate medium of circulation between 5*l.* notes and silver?—Certainly, if the sovereigns now in circulation are withdrawn, it would entail a considerable inconvenience upon those persons who now use them.

646. But it is not your opinion that the making the Bank of England 5*l.* notes a legal tender, would cause the withdrawal of the sovereigns to London, instead of leaving them in circulation in the interior?—I do not see how that effect would be produced.

647. Would not the inconvenience that has been referred to, prevent such a withdrawal from taking place?—It appears to me that it would.

648. Would the making a 5*l.* Bank of England note a legal tender in the country, prevent the present amount of sovereigns circulating in the country?—I do not see how it could have that effect.

649. Could it in any way have the effect of making the 5*l.* notes a substitution for the gold currency?—In no way.

650. Would not the want that the Public would feel for a circulating medium between the 5*l.* notes and silver, make it absolutely necessary that the sovereigns should remain in circulation as they now are?—I think so.

651. Supposing the Banks in Scotland might pay their 5*l.* notes in Bank of England notes, how much gold do you think would remain in Scotland?—I think there is very little gold ever retained in Scotland.

652. Would not the making the 5*l.* note a legal tender, diminish the amount of gold which Country Bankers would retain in their possession?—That is possible.

653. According to the plan of which you have expressed your approbation, would it not be the case that a person taking a 5*l.* note to the Banker that issued it, could not obtain any exchange for that note in a smaller denomination than 5*l.*?—I do not apprehend that it would; I think every Country Banker must look to the convenience of his neighbourhood, and I think it would not be possible for him captiously to refuse that accommodation which is expected of every Banker.

654. Would it not be possible that a person coming with a 5*l.* note and asking for sovereigns for it, might be asked a premium for the accommodation?—It is possible, but I do not apprehend such a difficulty.

655. If the Bank of England note be made a legal tender, can you conceive that the credit even of the Bank could be sustained in the public estimation, unless the affairs of the Bank are subject to complete publicity?—I think if the Bank of England is not managed upon a fixed principle, there would be considerable danger, but I am not prepared to say that publicity is the only security to be offered to the Public.

656. Are the Committee to understand that it is your opinion that the Bank of England, being conducted upon safe and sound principles, should never have to fear any difficulty arising from a demand for specie for exportation, but that no prudence or caution that the Bank of England can employ, can make it entirely safe from being drained of specie by internal panic or discredit, under the present system?—Certainly.

657. If the whole of the paper circulation of the country were issued by one commercial and irresponsible body, such as the Bank of England is, would not the amount of the circulating medium depend entirely upon the discretion with which the power of the Bank was exercised?—Yes.

658. What

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658. What is the security that that discretion under present circumstances would be properly exercised?—The security is the reliance upon the conduct of the Bank, and the knowledge on the part of His Majesty's Government of that principle being acted upon.

659. Then the security depends upon the confidence which the Public would have in the discretion and good sense of the Bank Directors?—And with the knowledge of His Majesty's Government of the due action of the Bank upon the principle stated.

660. Under present circumstances, have His Majesty's Ministers that knowledge?—They have.

661. Have they it as of right?—Not by law.

662. Are they not only confidentially, from time to time, acquainted with the state of the affairs of the Bank?—Since I have occupied the chair, or been connected with the superior management of the Bank, there has been nothing but the most free communication with His Majesty's Government, of the principle upon which the Bank has been managed.

663. Has it been the custom of the Government to give opinions respecting the management of the Bank, or to interfere with its internal management?—Not to interfere with it.

664. Or to advise with respect to the quantity of gold to be held?—Not that I am aware of.

665. Or to call for information occasionally upon the subject?—I believe that has been done; but it has been more frequently volunteered by the Bank. There has never been any concealment whatever of the principle, during my time.

666. During the time you have been at the head of the Bank, have the Government ever called upon you for information as to what you consider the secret and confidential part of their business?—They have not called for it, because it has been tendered.

667. Including the amount of bullion?—Including the amount of bullion.

668. But the Government does not possess any controul over the management of the Bank?—None.

669. Supposing the system upon which the Bank has been conducted since you have been in the Chair, to be the safest and most advantageous to the Public, is there any security to the Public that such system will be continued, or that it might not be altered?—If the same information was required to be furnished by the Bank, it appears to me that there will be no probability of a departure from that principle.

670. If the Bank were conducted upon a fixed principle, do you think there would be any danger of a calamity, such as the crisis of 1825, from an unfavourable exchange?—I should think not.

671. Were you rightly understood to state, that the real origin of the crisis of 1825, you consider to have been the operations of the Government?—I think they had that effect upon the public mind.

672. Might not an interference of the Government, such as that in paying off the interest of the Funded Debt in 1824, again derange the operations of the Bank?—Such circumstances might derange the state of the currency, but they would not derange the issues of the Bank further than the Foreign Exchanges might operate upon them.

673. Do you think the Foreign Exchanges could always be rectified without a crisis?—I think they would.

674. You have stated that you think the crisis did not arise from an over issue of Bank of England notes; was it not preceded by a great reduction of Bank of England notes between February and December 1825?—Certainly prior to October 1825.

675. A reduction having taken place, as was stated by Lord Liverpool, of three millions and a half, between February and December 1825, can you conceive any state of commercial affairs in this country, when you would not anticipate great calamities, as the probable result of such a reduction of the circulation of the Bank as that?—Such a reduction has taken place between August 1830 and February 1832.

676. Had the Bank any apprehension of great calamities during that time?—None.

677. Do you conceive that that has had any effect upon the commercial

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and manufacturing state of the country?—It probably has limited commercial operations.

678. What is the process by which the Bank would calculate upon rectifying the Exchange, by means of a reduction of its issues?—The first operation is to increase the value of money; with the increased value of money there is less facility obtained by the commercial Public in the discount of their paper; that naturally tends to limit transactions and to the reduction of prices; the reduction of prices will so far alter our situation with foreign countries, that it will be no longer an object to import, but the advantage will rather be upon the export, the gold and silver will then come back into the country, and rectify the contraction that previously existed.

679. Then the object of reducing the circulation, is the reduction of prices?—It is a natural consequence of an unfavourable exchange.

680. And that reduction is the means of bringing back the gold, and placing the Bank in a position of security?—Precisely so.

681. Could you contemplate the reduction of prices between August 1830 and February 1832, without expecting great commercial calamities and distress and embarrassment throughout the country?—Whether the Exchange has been rectified by a fall of our prices, or by a previous fall of the foreign prices and their subsequent rise, I do not pretend to answer at the present moment; but I am rather disposed to think that it has been more acted upon by the state of the Continent, than by any great fluctuation of prices in this country.

682. Would not the reduction be unnecessary in that case?—It depends upon the duration of the foreign discredit.

683. Could a reduction take place here without a great reduction of prices?—I think eventually prices must fall.

684. You say that the present low rate of prices, is to be ascribed to the operation of the reduction of Bank notes?—I have made no admission of low prices, but that may probably be the case in some degree.

685. Should not you think it entirely?—I do not profess to give any opinion of the state of prices throughout the country; my impression perhaps is, that prices are lower; but I think the rectifying the Exchange in this instance has arisen more from the return of foreign credit than from any great alteration of our prices.

686. Has it been the object of the Bank to reduce the prices?—The Bank has had no object; whatever action may have taken place, has been one of the Public.

687. You have stated that when prices fall, they occasion that goods are taken out instead of bullion, and that when the object of the Bank is to stop the efflux of bullion, it aims at that object by reducing the prices?—I have endeavoured to impress upon the Committee that the object of the Bank has not been by any action of the Bank to operate upon the public market.

688. The question refers to the effect of the operations of the Bank upon the state of the country?—That the Exchanges have been decidedly unfavourable for the last eighteen months is perfectly true, and the consequence of that state of exchange has been an exportation of bullion, and that bullion has been obtained from the Bank by the Public returning Bank notes for the bullion so exported. The contracting the Bank circulation has raised the value of money in the capital, and probably throughout the country. It may have had the effect of lowering prices, and the fall of prices may have encouraged exportation, and may have been the means of bringing back the gold exported; but I apprehend that in this instance it is equally probable that the restoration of foreign credit has been the means of increasing the commercial transactions, and particularly in extending the exports, and thereby bringing back the bullion without the general prices of the country having been materially lowered.

689. When you say that the reduction of circulation may have had the effect of reducing the prices, do not you think it must have had the effect, or must yet have the effect?—Not yet, because the circulation is manifestly increasing, and, except from the late demand arising from political discredit, the circulation would have exhibited an increase, by the issue of notes upon bullion, within the last two months, of full two millions sterling.

690. By what operation of the Bank has it been increased?—By the issue of Bank notes for the bullion brought into the country and deposited with the Bank.

691. When your issues of Bank notes are diminished, with a view of correcting the Exchanges, is it not for the purpose of immediately acting upon prices?—The prices may be affected, and probably are affected in some degree, by the reduction of

of Bank paper, but it does not follow that they will be affected at a very early period.

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692. How long does it take in performing that operation?—I cannot answer that question.

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693. Have you ever made a calculation upon the effect of the aggregate transactions of the country, by the diminution of your Bank notes, so as to lower the prices of commodities four or five or ten per cent?—I think it is extremely difficult to define the time when the contraction or expansion of the circulation acts upon prices.

694. Is not the contraction of your notes, in case of an unfavourable foreign Exchange, a matter of necessity?—Certainly.

695. If you did not contract your circulation, would you not have to buy gold at a very high price, and to furnish to those that demand of you gold in exchange for your notes at a low price, you losing the difference upon the transaction?—The contraction of the circulation is a necessary consequence of the return of notes to the Bank.

696. Is there any other way in which the contraction of your circulation operates upon the foreign Exchange, except by lowering the prices?—That is the eventual effect; the question simply is one of time, and when that occurs must depend upon the state of credit and the means that may exist of upholding that credit during the period of the contraction.

697. Must not, then, the alternations which take place in your extension and contraction of your circulation, keep the prices in this country in a state of constant change and revolution?—If there be frequent contraction and expansion, there may be frequent fluctuation of prices.

698. Can you contemplate any state of monetary system more inconvenient to the country than that which you have described as belonging to the Bank of England?—I think, under due regulation, the duration of that fluctuation will be very small; the period of the last 18 months has been a very extraordinary period, and nothing but the continuance of the foreign discredit for the length of time which has existed, would in all probability have continued the foreign Exchanges in the state in which they have been found.

699. You have stated that since the year 1826 those changes in the amount of your circulation have not been the result of any choice or determination on the part of the Bank, but the consequence of the operations of the Public themselves in the purchase and sale of gold at the Bank?—Yes; especially upon the last occasion.

700. In the case of the contraction to which you have just referred, which has taken place between 1830 and 1832, you are understood to state that it has not been occasioned by any determination of the Bank, but has been the consequence of the operations of the mercantile world?—It has.

Veneris, 8^o die Junii, 1832.

THE RIGHT HON. LORD VISCOUNT ALTHORP, IN THE CHAIR.

J. Horsley Palmer, Esq. called in; and further Examined.

701. IN your last examination you stated that as great a reduction of Bank notes had been effected between August 1830 and February 1832, as had been effected between February 1825 and November 1825, and that no commercial crisis, such as the panic that accompanied such reduction, was apprehended by you; now it appears that the reduction effected in 1825, between February and November, was 3,500,000 *l.* taking the average amount of each month, and 4,500,000 *l.* taking the highest and the lowest amount of each month, while the reduction in 1831, between February and November, appears to have been only 1,400,000 *l.* taking the average of each month, and 2,400,000 *l.* taking the lowest amount of each month; will you, looking back over the year 1831, state whether it is your opinion that in addition to the reduction you effected between February and November 1831, a further reduction could have been effected at that period of 2,000,000 *l.* without the probability of a commercial crisis, such as the panic?—The circulation of the Bank in February 1831 was, I believe, about twenty and a half millions, and at some period between that and the end of the year it was as low as sixteen

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and a half millions, consequently a reduction was sustained nearly to the extent mentioned, without creating a commercial panic.

702. Could the Bank have reduced two millions below that sixteen millions and a half without your expecting a commercial panic, what would the general opinion of the Directors have been upon such a reduction?—Had a reduction taken place to the extent suggested, Bank notes would have been returned to the extent of two millions; but in the course of that return, if the scarcity of money had become so considerable as to raise the rate of interest to the Bank's public rate, commercial individuals would have applied to the Bank for a re-issue at such market rate of interest.

703. Would the Bank have thought it safe to give an additional two millions of discount, without selling Government securities to the same amount?—That would have depended upon the state of the foreign demand for bullion at the time; it is very probable that the Bank would have thought it expedient, with reference to the principle upon which they have acted, to sell Government securities. No positive conclusion can be drawn of the state of commercial credit from any supposed quantity of Bank notes which may be in circulation.

704. Would you not have thought it likely to have a very hazardous bearing upon commercial credit, if the Bank had been compelled, by a drain of gold from abroad, to have taken in an additional 2,000,000*l.* of notes in the year 1831?—I do not think that a diminution would have taken place to the extent suggested, without occasioning a material effect upon the value of money.

705. You stated, that you thought that drain did take place from troubles on the Continent; to some extent might not an additional disturbance on the Continent have caused an additional drain of gold from this country, to the extent of 2,000,000*l.* in 1831?—It would have depended in a great degree upon the state of the prices in England with which the gold must have been purchased for foreign use.

706. Supposing it had taken place from disturbances abroad, or from the failure of credit in Scotland or Ireland, or any part of England, would you not have expected that that reduction would have been accompanied with a commercial crisis?—It does not appear to me to be a necessary consequence that a commercial crisis should have ensued; if gold is required for any parts of the world, it must be paid for in some produce which finds a market in the place where the gold is purchased.

707. The question assumes a demand upon the Bank for gold to the additional extent of 2,000,000*l.*; are you prepared to say that that could have been met without great danger of a commercial crisis?—I think it might.

708. Do you think the Directors of the Bank, generally, would have concurred in that opinion?—I do not think that the Directors would have apprehended a commercial crisis to have been the necessary consequence of such a reduction.

709. Do you mean to say that you would not have anticipated the danger?—I do.

710. Nor have thought it necessary to make a communication to His Majesty's Government, of the danger of such a state of things?—His Majesty's Government would have been informed of every reduction in the circulation which might have occurred.

711. Would you have thought it necessary for the Bank to state to the Government in such a state of things, their apprehension of the critical consequences to the commercial or financial state of the country?—It appears to me impossible to answer that question otherwise than by stating that I should not have anticipated the difficulties.

712. From what you have stated in your former evidence, it appears that the security for the good management of the affairs of the Bank, depends entirely upon the Directors of the Bank, excepting that you state, that from their being placed in communication with the Government, the Government know what is going forward; what means have the Government of controlling the management of the Bank?—None.

713. Then what is the security that you contemplate in the Government being informed of the management of the Bank, that the affairs of the Bank shall be properly controlled?—I contemplate no other advantage than the knowledge on the part of His Majesty's Ministers that the Bank is managed upon a correct principle, and that they are supplied with adequate means of meeting the demands which are likely to be made upon them.

714. Supposing

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714. Supposing that it appeared to His Majesty's Ministers that the Bank was not adequately supplied with means, or that in any other way His Majesty's Ministers did not approve of the mode in which the Bank was managed, have they any means of inducing the Directors of the Bank to alter their system of management?—Not of enforcing, but I should think it quite impossible that any suggestions could be made by His Majesty's Government to the Bank, which would not have a full and complete consideration.

715. Do you consider that His Majesty's Ministers would be acting according to their duty in interfering with the management of the Bank?—In expressing their opinion upon that management, I should think they would.

716. The Government is not in the least responsible for the management of the Bank?—No.

717. Who are responsible for the management of the affairs of the Bank?—The Directors.

718. Who are they responsible to?—I believe that there are certain penalties attaching to their conduct, either individually or collectively, upon certain occasions; but I do not remember what those precise occasions are.

719. Under the terms of the Charter, are they responsible to Parliament for the conduct of the affairs of the Bank, in reference to the questions which have come under the consideration of this Committee?—No, I should think not; I believe the cases are defined in which the personal responsibility of the Directors is concerned, but I do not remember what they are at the present moment, certainly not for the general management of the affairs of the Bank.

720. At present, then, the management of the affairs of the Bank, so far as relates to the management of the circulating medium of the country, is under the controul of the Directors of the Bank, who are not responsible to the Public for the correct management of the monetary system?—I believe so.

721. Then the whole security which the Public have that the monetary system shall be well managed, depends upon the discretion of the Directors of the Bank?—Yes, so far as the action of the Bank is concerned.

722. Have you ever thought of any means to be taken to put a legal check and controul upon the management of the Directors?—No, not under the existing system.

723. Do you think the publicity of their Accounts would be a check upon their management of the monetary system?—Provided there be no other body circulating paper money but the Bank of England.

724. Do you conceive that if there were any other body circulating paper money besides the Bank of England, that publicity would be no check upon the conduct of the Bank Directors?—It would be no check, unless an equal publication took place by every other body exercising the same power.

725. Do you conceive that it would be a check if the publicity applied to all other parties issuing paper money?—Provided equal security was possessed by the Public for the same management in the issue of paper money by those bodies as might be obtained from a body like the Bank of England.

726. You say that the security for the proper management of the affairs of the Bank of England would depend upon the publicity of their accounts; why should not the same publicity be an equal check upon any other body?—There is no reason why it should not.

727. Do you conceive that it would?—Yes, always saving the liability to political discredit or internal demand of an unusual character; at which periods demands may take place for coin, which no banks issuing paper money could supply.

728. Might not that take place without publicity of accounts?—Certainly.

729. Would publicity increase the liability to that taking place?—If the demand took place at a period after a considerable reduction of the stock of coin occasioned by a long adverse foreign Exchange, the knowledge of that fact, on the part of the Public, might tend to increase the demand; and I think, with reference to passed times, that there have been occasions when such publication might have occasioned a total exhaustion.

730. Why is it you think a further demand would have taken place, if the stock of bullion had been known to the Public?—From the belief and apprehension that the demand could not be sustained by the Bank.

731. Then your reason for supposing that the demand would have continued in such a case, is not that you think the Public would wish to destroy the Bank,

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but that the circumstance of their seeing the small amount remaining would increase their alarm?—Yes.

732. Supposing at the period of 1825, at the time when the panic was at the highest, the Bank had been under an obligation by law to publish the whole amount of coin and bullion remaining in their coffers, do not you think the inevitable consequence of that publication would have been, an exhaustion of the whole remaining treasure?—Distinctly so; the demand then made upon the Bank was entirely for the purpose of upholding the private paper money.

733. Would not the knowledge that a small sum only remained, have tended to increase the public alarm, and to have induced those persons that wished to get a share of the remainder, to press their claims upon the Bank?—I apprehend that would be the general feeling on the part of the Public.

734. Supposing that in 1825 the Bank had been the sole issuer of paper money, or that the Country Banks had been enabled to pay their notes by Bank of England notes as a legal tender, would there or would there not have been that run upon the Bank for gold for internal purposes, which reduced its stock so low?—I should think not.

735. You stated that the drain upon the Bank is not only occasioned by the notes of the Bank itself, but by the notes of Country Bankers; have not drains been experienced upon the Bank through Savings Banks and money in the Funds?—There can be no direct demand upon the Bank but through Bank notes, or deposits held by the Bank being withdrawn.

736. Do you think that the same publication which you think in 1825 would have exhausted the treasure of the Bank, could have been made with security in the year 1832?—I think so, had the Bank been free from all internal demand to uphold the private paper money, saving likewise that political discredit which arose during the last month.

737. During the political discredit in May 1832, do you think that a publication of the amount of treasure then held by the Bank could have been safely given by the Bank?—No; I think the Bank would have been endangered by publication at that time.

738. You think that such a publication would have had the effect of exhausting the treasure of the Bank?—I do.

739. Do you think that the publication of the amount of treasure might have changed it into a commercial discredit?—That would have depended upon the extent and duration of the demand.

740. Taking the circumstances of May 1832 into consideration, could a publication of the lowest amount of the treasure of the Bank have been made at that time with safety?—It is very certain that a continuance of the political discredit might have drained every sovereign from the Bank of England. If the quantity had been reduced extremely low from the effect of public discredit, I cannot pretend to say what feeling might have pervaded the mind of the public, or what might have been the consequence of that discredit.

741. Is there in your opinion any security whatever for a Bank issue under circumstances of political discredit?—It is quite impossible that there can be any security against such an occurrence.

742. What do you mean by political discredit?—I mean distrust of the Government.

743. Supposing the demand arose from an intention of the party demanding gold inimical to the Government and to the Bank, would not a knowledge of the small quantity of gold remaining in the Bank induce them still further to increase their demands, for the direct purpose of destroying or distressing the Bank?—I do not think any action of a few can have any dangerous consequences; it must be a general apprehension in the public mind.

744. Supposing it to be a combined action, such as that we have reason to suppose existed in the month of May?—The late action was what I should term a political discredit while it continued.

745. Had it not the effect of withdrawing from the Bank two millions?—It operated to the extent of two millions, by including the sum issued for the April dividends, which did not return; there were 1,600,000*l.* issued by the Bank in the course of a week or ten days.

746. Taking 1,600,000*l.* as the amount of the extra demand upon that occasion, if the amount of specie remaining in the Bank of England had been published to the world, would not those who made demands upon the Bank for political reasons

reasons have been encouraged to continue their demand, for the purpose and intention of still further distressing the Bank?—I have stated the inconvenience which a publication might possibly produce, in the event of a political discredit or demand at a time when the stock of bullion was inconveniently reduced by the previous action of an adverse exchange; that inconvenience would have occurred in May 1832; but, had the demand arisen when the Bank might have been adequately supplied, then I do not think that the reduction of a million and a half or two millions could have had any material effect.

747. At such a period, would not a publication of the unusually low amount of specie in the Bank have induced persons who were desirous of distressing the Bank, still further to pursue the course which they had began?—The objection could only apply to such a period as May 1832.

748. In stating your objection to the publication of the Accounts, do you contemplate a continued publication of the State of the Bank, or a periodical fixed publication from time to time, or a retrospective Statement of the nature of its transactions for an interval gone by; should you object equally to both sorts of publicity?—It would depend upon the mode in which the publication might be ordered; I presume it would be a periodical publication, in order to exhibit the fluctuation between succeeding periods.

749. Supposing, however, that was not the nature of the publicity, but only that it was incumbent on the Bank to publish yearly, or at any other period, the state of their transactions during an interval which had elapsed, which would show the average conditions of their liabilities, and the means of meeting them, and not the amount which might exist upon any particular day, would that be liable to the same difficulty, or create the same embarrassment?—I should think that the average of a preceding period would be a preferable mode for publication.

750. You have repeatedly stated, that no precautions taken by any bank of issue can guard against the effect of a general panic, or a general sense of insecurity; cannot you conceive many cases in which a panic would be created by a knowledge on the part of the Public that the treasure of the Bank was extremely low?—No, I do not apprehend any material objection from such a circumstance, provided the circulation were limited to the notes of the Bank of England, as, in such case, it would be the duty of the Bank to provide against any very great reduction in ordinary cases, that is, by being supplied with a full proportion of treasure, with reference to the liabilities, before the drain might commence.

751. You have mentioned one case in which you think that an exhaustion of the Bank must inevitably have taken place if the Public had known the real state of the treasury of the Bank, namely, in 1825?—That arose from the discredit of the internal paper money, which would not have existed if the Bank had been the only issuing body.

752. Judging from your past experience, cannot you conceive many cases in which a panic would have been produced by a knowledge, on the part of the Public, that the treasure remaining in the Bank was very low?—Those occasions would have had reference to the discredit of other paper money, not that of the Bank.

753. Do not you conceive that public credit in 1825 was restored in consequence of the Bank running great hazards, and making very liberal advances on discount?—I do.

754. Do you think it would have been possible for the Bank to have acted in 1825 as they did act, if they had been under an obligation to state to the Public what was the remaining amount of treasure in their hands?—Not in the then state of the issue of paper money.

755. The objections you have stated to the publicity of Accounts, apply to internal rather than to external demand?—Yes, and with reference to the present state of the issue of paper money.

756. Do you think that the publicity of the affairs of the Bank would facilitate the transactions of other issues of paper money, by their knowledge of the state of bullion in the Bank?—It ought to have that effect.

757. Would they not be more aware than they are now of any approaching commercial discredit?—It ought to operate as a guide; but I imagine that a private issuer of paper money would generally take the chance of obtaining the Bank paper when he might require it, and would leave the responsibility to the Bank to meet the demand for coin when it arose.

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758. If a Country Banker perceived that the action of the Exchanges against the country was such as to be diminishing the amount of bullion in the Bank very considerably, would he not feel it necessary to be more cautious in his accommodation than he otherwise would be?—That would be the course of a prudent Country Banker who might be apprized of the cause of an existing adverse foreign Exchange, likely in its effect to reduce the credit and prices of his neighbourhood.

759. How do you conceive that that could be, when you have stated that the foreign Exchanges are not in themselves a natural criterion of the import or the export of gold?—I have only stated that the printed rates are no criterion; it must always be a matter of some difficulty for a country issuer of paper money to know, at an early period, the cause of a demand for gold upon the Bank.

760. You take it as a guide to ascertain whether or not your paper is in excess, the demand upon you for gold for the purpose of foreign export, without reference to the printed rates of the Exchange?—Yes.

761. If a Country Banker were aware of that circumstance, would he not be in possession of the real state of the foreign Exchange?—Not to a certainty, because there might be temporary demands for export unconnected with an unfavourable commercial Exchange, or there might be demands for coin upon the Bank of England, for Scotland or Ireland or any part of the interior of England, which might diminish the stock of bullion in the Bank, and therefore any criterion that he formed from the actual diminution, as appertaining to an adverse commercial foreign Exchange, might in such times be erroneous.

762. Would he not at least get one element of security in his calculation, which without that knowledge he could not possess?—He would have the security of knowing whether the Bank's bullion was upon the increase or decrease, and might govern his action by that circumstance so far as he might think fit.

763. Would not he know more of the real condition of the foreign Exchanges than if he was only acquainted with the quotations?—Certainly.

764. Of course, in the Questions that have been put to you, and in the Answers you have given, it is understood that publications at short intervals of time would be made by the Bank of England, of their liabilities, of their securities, and of their bullion?—I should think that would be necessary, not less than every six months, in order to afford that information by which the Public could form some opinion.

765. Are not you aware that if there was a demand for gold upon the Bank of England, there would be nearly a simultaneous demand upon the Country Banker for the payment of his notes?—Presuming the demand upon the Bank to be for internal purposes, that would be the case.

766. What would be the influence upon the Court of Directors themselves, in case they were compelled to publicity as to their quantity of bullion?—I do not see how I can take upon myself to answer what would be the decision of the Court upon that subject.

767. Would it not be to oblige them to keep a larger proportion of bullion in their possession, in case the circulation continues as it is now?—Unless security were given that the issue of paper money by other bodies was placed upon the same foundation as that of the Bank of England, and the Public assured that such other bodies be equally provided with the Bank of England, it never could, in my opinion, be expedient to publish the fluctuation of bullion in the Bank of England.

768. Could the Bank of England issue paper without possessing Government assets and commercial discounts?—The issues of the Bank must either be made upon securities or upon bullion.

769. Could a Country Banker make any demand upon the Bank of England unless he had the means of procuring their paper, and therefore when he had made that demand, naturally decreasing their liabilities?—No Country Banker could make a demand upon the Bank of England without having first possession of the paper of the Bank of England.

770. Can the country circulation influence the Bank of England in any other manner than by the possession of its paper?—I have endeavoured to explain in the former part of my evidence, what appears to me to be the effects of the country circulation upon that of the Bank of England.

771. Supposing that, by compelling the Bank to publish the amount of its treasure, you compel the Bank greatly to increase their treasure, for the purpose of

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of guarding against the consequences of publicity, do not you think that would be a great public evil?—Supposing the publication to be made by all bodies issuing paper money, I do not think it would be called upon to keep a larger proportion than I have stated in the first part of my evidence upon this inquiry, provided the Bank had merely to provide for its own circulation. I consider that a deposit of bullion to the extent of one-third, at the period of a full currency, would be adequate to meet any diminution which might take place in the paper money.

772. Is that answer given with reference to the present state of the currency, or the projected state?—The projected state of publication by all bodies issuing paper money.

773. Are you at all acquainted with the management of the Bank of France?—No.

774. With the exception of the year 1829, when the Government violently interfered with the paper of the Bank of France, are you aware that the Bank of France has gone without any difficulty through all the panics and agitations that have assailed that country, even the last in 1830?—I think the Bank of France has never regularly published its reserve of bullion; the amount has been mentioned in some of the yearly reports, but it does not form an item in the printed account of debts and assets.

775. Is not the Bank of France a bank totally differently situated from the Bank of England, not liable to be acted upon by Country Banks of any description, and therefore having nothing to do but to look to its own affairs and its own issues?—I believe so.

776. You have stated, that as it respects the Bank of England, the only danger you look to is not that of a demand from abroad arising from any adverse state of the Exchanges, but from the action of the Country Banks and the country institutions upon the Bank of England?—I have alluded to the risk of a simultaneous demand, external and internal.

777. Does it now follow, therefore, that there is no analogy in this case between the danger to be apprehended by the Bank of England, and by the Bank of France?—Certainly.

778. Be so good as to state what the state of the Bank is at present, with respect to publicity; have not the proprietors of stock, at their quarterly courts, a right to call for any publicity they please?—Yes.

779. Have they not abstained from calling for it, though it has been repeatedly proposed to make that call?—They have.

780. Is the amount of bullion that the Bank hold, the only secret which you think it of importance to preserve in the affairs of the Bank?—Yes, so far as regards the Public; that is my individual opinion.

781. You have also stated the danger that would accrue to the Bank from publicity, of the Bank being drained of its specie; supposing the amount of bullion to be low, would not also the means by which the Bank would right itself, or would replenish its coffers, be very much impeded by the fact of publicity?—The only mode of replenishing the Bank's coffers would be by the operation of the Foreign Exchanges, and they would be governed by the prices of the country.

782. Supposing the Bank to be in such a position that they found it necessary for their security to replenish their coffers, if all the world knew that that was necessary to them, would they not be exposed to be more or less acted upon by speculators and persons around them?—No, I have no apprehension of the action of speculators upon the Bank.

783. Supposing the case of their being reduced to 1,000,000 *l.* or 1,200,000 *l.* and it was generally understood all over Europe, in Amsterdam and Ham-
burgh, and all the great places of exchange, that the Bank was in a position in which it could not with safety for any length of time remain, and it was also known that the circulation of England was confined to gold, which is merchandize in other markets of Europe, would not your means of replenishing your coffers with the only metal by which you could make a legal payment be impeded by the knowledge that those persons would have, that you were in immediate want of that article?—I do not contemplate the reduction of the Bank's bullion in the way that has been suggested to 1,200,000 *l.* without such a contraction of the circulating medium of paper as would have an effect upon prices, and thereby tend to bring the gold back into the country. Under due regulation, it is hardly possible

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to contemplate, except from internal political discredit, such a reduction as has been alluded to.

784. Is not the specie of the Bank acted upon, both as to influx and efflux, very frequently, without any reference to the prices of articles; do not the speculations and operations of persons who deal in Exchanges operate sometimes very largely, without any reference to any change of prices?—I have not been able to observe that they have, for any length of time or to any very great amount.

785. Does it not appear from a paper just laid before the Committee, that upon one occasion, while the delivery to the Public was 675,000 *l.* one individual took out 885,000 *l.*?—Yes.

786. Does not sometimes the operation of persons who deal in Exchanges affect the amount of bullion, without reference to the general prices of commodities?—I believe that temporary effect may be produced, but a demand of that nature is not likely to last so long, as the foreign Exchanges are not adverse from commercial causes.

787. Does it not act in this way; supposing a person dealing largely in Exchanges, has 6 or 700,000 *l.* to remit abroad for any purpose of foreign loan or of foreign subsidy, or sometimes even for an ordinary commercial purpose; is it not better worth his while, now that the coin of the country is so perfect and can legally be exported, which it formerly could not be, to send the coin out of the country, even with a difference of an eighth or a quarter per cent, in preference to taking bills of exchange, which for a large sum he may be weeks or perhaps months in completing, with the risk of the bills which he takes, and with the risk of all the commercial world knowing, by his being a long time a taker, what the nature of his transactions are; has he not by sending the bullion, first of all the power of executing his operation rapidly, secondly, of avoiding the risk of bills, and thirdly, keeping out of the sight of his competitors the operation in which he is engaged?—It is perfectly clear that if any merchant or exchange dealer has an operation to perform suddenly, greater than the exchange will afford in bills, he may be under the necessity of taking bullion or coin for that export, but occurrences of that kind are not frequent; whenever they do arise, if the gold be exported to a disadvantage of an eighth or a quarter per cent, the operations of the Exchange dealers are so very minute in point of profit, that that gold so sent abroad would very soon return again to this country.

788. Do you suppose that in the transactions which are taking place in the city of London, and which have taken place for several years, that that operation seldom occurs, of large sums being sent out of the country, when the state of the foreign Exchanges would not justify it as a speculation?—I have no means of judging but by the action upon the Bank, and I am not aware of such operations having frequently taken place to any extent likely to cause alarm, and I believe that no extensive demand of that nature could arise without being exhibited at the Bank; if you extract from the Public at large any great quantity of coin, the public keeping no more than they require, the vacuum will be supplied almost immediately by a demand upon the Bank.

789. Can you state to the Committee, upon the average, what amount of foreign bills a merchant may be able to take in a week upon the Royal Exchange?—No, I cannot.

790. Supposing the Exchanges to be considerably in favour of this country, is there any conceivable interest which a speculator can have in preventing the Bank from obtaining gold from abroad?—Certainly not.

791. Would he not, on the contrary, have an interest in supplying the Bank with gold, inasmuch as from the state of the exchange he must make a profit upon that supply?—Certainly.

792. Supposing the Bank to be drained by the sort of panic that took place in 1825, and to be pretty close to the bottom of its treasure, can you conceive no interest that an individual might have in creating additional scarcity of money and pressing the Bank to extremes?—In the ordinary transactions of commerce and by a due regulation in the issues of the paper money, I am of opinion that that state of things should never exist.

793. Did it not exist in the year of which you have been speaking?—From a combination of causes, the main one being a discredit of private paper money.

794. You are answering upon the supposition of a new system of banking being established, but the question refers to what would happen under the present system of banking?—In the present system of banking, the Bank being liable to

to be acted upon by internal demand, as the Bank was acted upon in 1825, the evils anticipated might possibly occur.

795. And might it not be the interest of an individual to press the Bank to extremities?—If it be contemplated that the Bank is likely to be reduced to 1,200,000*l.* of treasure, and that general credit be still retained, there is no doubt a combination of individuals might under such extraordinary circumstances have a very prejudicial effect upon that small quantity remaining.

796. You have stated, that under the present system of banking, no precaution on the part of the Bank could save it from being occasionally exposed to dangers of that description?—It appears to me that, under the present system, the Bank must at times be liable to internal demand for upholding the credit of private paper money.

797. In those cases, might it not be the interest, and very greatly the interest of persons speculating in such a way as to have their speculations realized, by increasing the difficulty, and increasing the scarcity of money, to prevent the Bank replenishing its coffers?—It might be their interest, but I apprehend that such parties would find it difficult to accomplish their object.

798. Supposing this difficulty to occur in times of war, might it not also be the interest of foreign Powers to work upon the Bank of England in the same manner?—If the bullion of the Bank were actually so far reduced without a general discredit arising, it is possible that the Bank might be altogether drained, but such an occurrence would in my opinion be very improbable.

799. Did you ever hear that in 1825 it was actually proposed to the Government of France to take measures for stopping the Bank of England?—I have heard such a report.

800. Are you aware that in the year 1825 a large portion of that specie which in reality enabled the Bank of England to replenish its coffers, came from the Bank of France?—Yes, of sovereigns.

801. Are the Committee to understand the result of your opinion to be, that danger would exist from publicity under the present system of banking, but that it would not exist if you were not exposed to over issue by the Country Banks?—I believe that, under the present system, publication of the bullion of the Bank at stated periods would be prejudicial.

802. Did the Bank in the years 1825 and 1826, during the panic, take any extraordinary means to procure gold from the Continent?—I believe in December 1825 they sent over a quantity of silver to Paris, which was paid to the Bank of France for the gold received in exchange.

803. If it was known over the Continent that the Bank of England was anxious to purchase gold, is it not possible that by a combination of great capitalists on the Continent to raise the cost of gold to the Bank of England, and to render the procuring of it more difficult?—I do not understand how such a circumstance as that suggested could occur; the Bank can only be supplied with gold either by exchanging any silver bullion they may possess for gold, or by giving out notes for gold imported by the merchants or dealers in the exchanges, during the period of a favourable exchange with other countries.

804. Are you aware that the Bank of Paris and the Bank of Amsterdam both advance money upon the deposit of gold, and that by means of that deposit a man may hold a large amount of gold with a very small deposit of money?—I am not acquainted with the regulations of the Bank of France or Amsterdam.

805. If that were the case that a man with an advance of 10,000*l.* could lock up a million, would not that very much facilitate the combinations which might embarrass the Bank of England in obtaining a supply of gold?—It is possible that he might gradually accomplish that object, but it would be an operation of some time, unless the gold was superabundant in Paris and Amsterdam; an extensive demand generally has a rapid effect upon the agio. I should think a case, such as suggested, very unlikely ever to occur.

806. Does not the circumstance of having a standard of gold in this country, when it exists in no other part of the world, materially increase the difficulties of the Bank in that respect, and check its means of righting itself by replenishing its coffers at periods when it may be necessary to do so?—The gold currency of this country is liable to be acted upon by any excess of price which gold may bear abroad.

807. Supposing that the Bank were not called upon to publish their amount of gold, is there any other security that you think might be given to the Government,

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to enable them to compel the Bank to provide a larger quantity of gold, in case they conceived the sum in their coffers to be too small?—Yes, provided Parliament should see fit to grant the requisite power of controul to His Majesty's Ministers.

808. Do you see any inconvenience that would result from giving a power to Government by some means to compel the Directors to provide a larger stock of gold, not exceeding the proportion of one-third?—I am not aware that there would be any other means of the Government exercising such a power than by directing the Bank, if they saw fit, to contract the amount of paper money in circulation, which contraction would eventually act upon the whole circulation of the country. There is no order that could be made, which would enable the Bank to obtain a permanent increase to its stock of gold; otherwise than through a reduction in the general prices of the country, unless the Bank were possessed of a stock of silver bullion which they might exchange for gold.

809. Are there any means of compelling the Bank to provide a sufficient quantity of gold?—The Bank has only the means of obtaining an increased quantity, if it be deemed desirable, by contracting its issues, thereby creating a scarcity of money, and consequent fall in prices.

810. You stated that the amount of bullion in the Bank should be one-third of its liabilities; what objection would there be to allowing the Government to enforce the performance of that which you think is necessary for the proper conduct of the Bank?—I have endeavoured to explain to the Committee, that the period of the Bank being provided with that quantity is the period of a full currency; if in the period of a contraction arising from an unfavourable exchange, the deposit becomes below one-third, the ordinary result will be again to recover the amount diminished, or perhaps more, upon the return of a favourable exchange.

811. Do you mean to say that the Bank, in case of a diminution of that proportion, would, of their own accord, immediately take means to increase the amount to one-third?—No.

812. Do you not think that if no other means could be taken to induce them to do it, a regard for their own safety, in case of a publication of their Accounts, would have the effect of making them keep that or a much larger proportion than they hitherto have done?—I think they would not be called upon to take any other measure than they have hitherto adopted.

813. During a reduction of Bank notes, occasioned by a drain on the Bank for gold, would it be prudent or advantageous for a private Country Banker to keep his circulation at its previous amount?—I should think that the same course ought to be taken by private Bankers as is adopted by the Bank, viz. not to re-issue the notes returned upon him by the Public.

814. If he consulted his own interest and the prudent conduct of his business, would not he reduce very nearly following the reduction of the Bank?—I think that would be the course of a prudent Country Banker.

815. With regard to his obtaining a knowledge of the Exchange, would not he discover it by the drain upon his own notes and the Bank of England notes?—I think that might generally be the case.

816. Were you rightly understood to say, that supposing a publication to be made of the amount of bullion in the Bank, it would be immaterial to the Bank whether the publication referred to the time at which the publication was made, or to a period some time before?—I think it would be more convenient that it should be made upon the average of a preceding period.

817. Supposing that on the 1st of January 1826 a publication had been made of the average from the 1st January to the 1st July 1825, would not that have been very different from a publication of the average from the 1st July 1825 to the 1st January 1826?—Certainly.

818. What change in the present system of the banks of issue would in your opinion render the publication of the affairs of the Bank safe?—I do not think that any change, the principle of the present system being retained, can render a publication by the Bank desirable. If, however, such a course be adopted, it appears to me to be indispensable that all banks of issue should be placed precisely upon the same footing before the Public, that is, by a publication of their liabilities, their securities, their cash reserves, and also their capitals. It is necessary, if the Accounts be published, that the Public should have perfect reliance upon the property of the Banks so issuing, as well as their liabilities; I mean without discriminating

discriminating the character of the property, but that the capital which uphold the credit of the bank should be known in the same manner as the capital of the Bank of England is known. *J. Horsley Palmer, Esq.*

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819. You have stated that the danger of the publicity would arise from the internal demand; would not the making Bank of England notes a legal tender diminish the danger of an internal demand?—It would probably in some degree diminish the danger, but it would not diminish the liability to discredit.

820. But if the issuers of private paper money were enabled to discharge their liabilities by the payment of Bank of England paper, would they be compelled to call upon the Bank of England to issue cash?—I think it is not the mere tender of a Bank of England note that would relieve either the Bank or private Bankers from the effects of discredit; that discredit might, in the first instance, be checked by a tender of the Bank of England notes, but it does not follow that such tender would relieve the Bank of England from all the effects consequent upon a discredit of private paper money. Some relief would probably be afforded in limiting the first demand for gold, upon such an event occurring.

821. Will you state the mode in which you think the placing all other Banks upon the same footing would relieve the Bank of England from the danger you have stated?—My opinion of security depends upon the supposition, that the Public would be assured from the nature of those publications, that a power existed in every issuing Bank in itself to meet the demands upon it. If that confidence be not obtained, no adequate security would be afforded to the Bank of England.

822. Then the ground upon which you think it would insure the Bank from danger is, that it would prevent any discredit applying to private Bankers?—It ought to have that effect; but I do not mean to state that such would be the certain result.

823. But you think that if the discredit did apply to private Bankers, although they were enabled to pay their liabilities in Bank of England paper, which they are now compelled to pay in cash, still the danger would exist?—I think, to a certain degree it would, though the demand for coin would probably be much diminished.

824. Supposing the Country Bankers generally fell into the plan which some of the Country Banks have adopted, of not issuing their own paper, but using Bank of England paper; do you apprehend that it would be necessary to have a publication of their affairs, for the security of the Bank?—I should think not.

825. Do you not draw a distinction between a discredit of the Country Bankers, and a discredit of the Bank of England itself?—Certainly as far as regards private paper money, the latter being only supposed to be liable to the effects of a political discredit.

826. Supposing, then, that the discredit attaches only to private paper, is there any danger to the Bank of England of enlarging the issue, by substituting their own money for that private paper?—No; but when a district is accustomed almost exclusively to the use of private Bankers paper, individuals may not be immediately prepared to adopt that of the Bank of England, unless the same be voluntarily issued by the private Bankers. In the event therefore of a partial discredit, the temporary substitution of Bank of England paper might afterwards create a demand for coin in lieu of the private paper withdrawn.

827. Would that exist if perfect confidence was placed in the Bank of England, as was the case in the year 1825?—I think it might, unless such issue of Bank of England paper was permanently supported by the private Bankers in such district.

828. Supposing in a particular circle the private Bankers paper was discredited, and the paper of the Bank of England, being there in high credit, was substituted to the same amount, why do you suppose there would be a further demand for gold?—I do not imagine that any other demand would arise than such as I have already alluded to; when any given districts may have adopted the circulation of the Bank of England paper, the extra demand for gold would cease.

829. The objection you have to publicity is, that you think the Bank, upon the present system of banking, cannot permanently carry on its business, while their affairs should be known to all the world, and that those dealing around them should keep theirs secret?—So far as regards the issue of paper money.

830. You see no objection to the system of banking and the state of the Bank heretofore being laid bare to public inspection, but your objection is to perma-

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nently and from day to day or from year to year carrying on their affairs under that state of publicity?—I see no advantage in any publication of the past, my objection however more particularly applies to the future.

831. You do not see any objection to a report of any thing that is known to this Committee, being stated to the House of Commons, and becoming public?—I have no power to assent or dissent, the Committee must judge of the propriety of such a measure.

832. Do you think any injury to the Bank would ensue from it?—I should be sorry to be under the necessity of answering that question upon my own responsibility; the Directors have been precluded from ever laying their Accounts before the Public, by frequent decisions of their Courts of Proprietors; it would therefore not become me, as Governor of the Bank, voluntarily to accede to such a disclosure.

833. Will you state the nature of the publicity you would require from the Country Banks?—That which Parliament might require from the Bank of England.

834. Supposing that Parliament required from the Bank of England the amount of the gold in their coffers, would you expect that Parliament should also require the Country Bankers to state the same?—Either their gold or their Bank of England paper convertible into gold.

835. Would you not be satisfied provided they were called upon to compound for their notes, and to state their issues publicly once a year at the Stamp-office?—I believe the publication of the notes in circulation is no security whatever, either upon the part of the Bank of England or any other bank issuing paper money.

836. In what way do you suppose they could publish the amount of Bank notes and cash that they kept by them; would you require the average by the month, or by what mode?—It has been suggested in one of the preceding questions, that the publication might be more expedient with reference to the past than the present, and I am inclined to concur in that opinion.

837. For what period?—It should be not less than every six months, to be of any use as a guide.

838. Do you think the Country Bankers would continue their establishments under such management?—I think that they probably would relinquish the issue of their notes: I beg, however, to state, that I am not advocating the propriety of any publicity, nor giving any opinion as to what it is desirable for Country Bankers to adopt; I am only anxious to answer the questions put to me to the best of my ability, understanding their object to be, whether the Bank of England can with any reasonable degree of safety to the Corporation publish their fluctuation of bullion, without similar publication by other bodies issuing paper money in the interior, whether England, Ireland or Scotland.

839. Do you conceive that the withdrawal of the private Country Bankers would be an advantage or a detriment to the Public interest?—I think that one bank issuing paper money, as I have stated in my former evidence, if it could be satisfactorily managed, would be more beneficial to the country than the present system, but I then added, what I believe to be equally necessary, that there should be a concurrence on the part of the Banking interests to such an arrangement.

840. What distinction would you draw between a banker who avails himself of his credit, and a merchant who avails himself of his credit?—None.

841. Would you require a merchant, before he issues his bills of exchange, which form a part of the currency, to declare his property, or that upon which those bills are founded?—I think there is a manifest difference between a banker who issues paper money payable upon demand, and a merchant who accepts or negotiates a bill of exchange; the former is money, the latter a security for money.

842. Supposing he draws a promissory note, and circulates it without acceptance?—I am not aware that it is customary for merchants to draw promissory notes payable upon demand. Promissory notes payable at distant days are the same as bills of exchange.

843. Do not you think that the effect of a Country Banker withdrawing his own notes and issuing Bank of England notes, might very possibly be to affect his character and his credit, and create doubts as to his power of meeting the demands made upon him for his own circulation?—I do not understand why it should have that consequence.

844. Are you not aware that in some instances, when negotiation has been entered into between the Bank of England and Country Bankers to issue their paper, it has been assigned as a prominent reason why they would not issue Bank of England paper, because they considered it would affect their own credit?—I am not aware of it; neither do I see why the credit of a Country Banker should be more affected by issuing Bank of England paper, than a London Banker so acting.

845. Have you not heard that in some cases, where negotiations of that kind were carried on, very serious objections have been made by the districts in which Country Bankers were situate, to deal with Country Bankers who would consent to issue Bank of England paper instead of their own paper?—No; the Bank of England have never, as far as my knowledge extends, proposed a negotiation; they have always waited to be applied to, and, when applied to, the Bank have presumed that the parties so applying found it to be for their interest to make the application.

846. Then if it be supposed that applications have been made from the Bank of England to Country Bankers, without any application coming from the Country Banker, do you consider it a mistaken supposition?—It certainly would be contrary to the Bank's instructions.

847. Is not a Bank of England note, more subject to forgery than a Country Bank note?—I do not know the extent to which the Country Bank notes are subject to forgery.

848. Do you not suppose that a Country Bank note, being signed by a hand perfectly known in a certain district where the note circulates, is more secure against forgery than a Bank of England note, which is signed by a hand perfectly unknown in a distant district?—I am not inclined to think it more safe on that account; I believe that the forgeries upon the Branch Bank notes have been very few.

849. You think that the same publicity of accounts should be made by private Bankers as by the Bank of England?—If it be required of the Bank of England, I consider that it would be equally necessary to be required of all other bodies issuing paper money.

850. If the Bank of England ask for particular privileges under a particular Charter, are they not more called upon to give a publicity of their Accounts than private Bankers who possess nothing of the kind?—I imagine the question can be regarded only as one of great national importance, totally unconnected with the consideration paid for any privilege granted to the Bank of England.

851. If their privilege is confined in any way to the holding of public money, or the holding of public securities, or being the exclusive bankers of the Public, are not those considerations which would render the publicity upon their part more necessary for the safety of the Public, than it would be for private Bankers who are placed in very different circumstances?—I do not imagine that any publication of the bullion in the Bank can ever be deemed desirable, unless it be for the due regulation of the whole currency of the country.

852. It is your opinion that the publicity of the amount of bullion held by the Bank would be equally dangerous, whether a demand was made upon them for the payment of a large quantity of coin arising from a discredit being thrown upon private paper money, as in 1825, or arising from political discredit, as in May 1832?—Any drain upon the Bank of England for coin, whether arising from political causes or private discredit, has the same effect, to the extent to which the demand is made.

853. Is not the distinction between the period of 1825, when there was a discredit upon private notes, and May 1832, when there was a political discredit, such as to have the effect of the Bank being enabled to make a large issue of their own notes in the first instance, and compelled to contract that issue in the second?—The Bank were enabled in 1825 to afford great aid to the commercial part of the community; in 1832, the discredit was of a political character, and had it continued, the Bank of England might probably not have been able to obtain an adequate quantity of gold coin to pay the notes which might have been returned.

854. Would it in the latter instance have been prudent or possible for the Bank to have increased its paper issue?—Not to any extent, certainly.

855. Are there not constantly in circulation forgeries of Bank of England paper?—There probably are, but only to a small amount.

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856. Does any long period ever pass without some forgeries being presented at the Bank?—I believe not, but the amount is not now to any extent.

857. Are you aware that any permanent circulation of forgeries ever has existed on any considerable Country Bankers paper?—I have no information upon that subject.

858. Are there not many Country Bankers upon whose paper no forgery has taken place for a great number of years?—I am not apprized of the circumstance.

859. Would publicity, if required from all Banks, be a sufficient guarantee against abuses in issuing paper money?—I am inclined to think that it would be the best security which could be obtained. There may, at the same time, be many objections to its adoption.

860. Should you say that it would be complete security?—I do not think any regulation of the kind can be deemed complete security.

861. Do you think it would check the opening of Banks without a sufficient capital, and issuing paper upon mere speculation?—I think it would.

862. Do you think the Public would exercise that degree of judgment, not to place confidence where there was not sufficient capital employed?—It would in all probability have the effect of giving confidence to the immediate vicinity of a Bank so situated.

863. Supposing that the publication of the amount of bullion in the Bank to be made constantly, either weekly or monthly, and it were known that, by any panic or any accident, the amount was reduced to a million, would not that small sum go out in 24 hours, from the mere apprehension?—In my preceding answers I have admitted the possibility, but great improbability, of such an occurrence.

864. So that, in point of fact, the last million would be worth nothing at all?—If that period ever occurred.

865. Supposing Country Bankers were compelled to publish the amount of gold which they held, would not they be liable to a drain, for the mere purpose of embarrassing them?—That would depend upon the extent of their transactions and their prudent management.

866. If in order to guard against a combination of that nature, they were compelled to keep in their coffers a much larger stock of gold than they at present hold, do not you think that great public inconvenience would result?—If they were called upon to keep a much a larger deposit of gold, the purchase of that gold might entail a loss upon the country and a diminution of the banker's profit.

867. Would it not have an injurious effect by increasing the price of gold?—It would not be likely to increase the price of gold otherwise than by the effect which might be produced by lowering the price of commodities with which it might be necessary to purchase the further quantity of gold required.

868. Would it not have the effect of a curtailed supply of the precious metals?—Merely to the extent of the additional quantity which might be required, perhaps two or three millions.

869. Are the Committee to understand that you do not so much mean to recommend publicity on the part of the Country Bankers, as that you mean to state that if publicity be required on the part of the Bank of England there should be a corresponding publicity on the part of the Country Bankers?—That is entirely my intention. I mean to offer no opinion whatever upon the expediency of requiring either the Bank of England or the Country Bankers to publish their Accounts.

870. You stated, that the private Bankers ought to publish the amount of their capitals; in what way could you obtain a certain and correct return of the capital of each Country Banker?—It would not be very easy to define the mode in which that information should be given; but it appears to me to be necessary for affording security to the Public.

871. Would you propose that each Banker should give security in the way that has been suggested by some writers upon the subject, Mr. Ricardo and others?—It appears to me that private Bankers could not beneficially conform to the suggestions referred to.

872. Would not a publication of the convertible assets and bullion of the Bank, as compared with their liabilities, be quite sufficient for the security of the Public, without a publication of their capital?—I am of opinion that the credit of every bank

bank issuing should be beyond all suspicion, and it is the knowledge on the part of the Public, of the Bank's capital held by the Government, which gives that substantial character to the Bank of England which it would not otherwise possess.

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873. Does not the Bank of England differ from a Country Bank in this respect, that the insecurity of the Public with respect to the Country Banker depends in a great degree upon the personal liability of the partners, which is not the case with respect to the Bank of England, and therefore the publication of the assets of a Country Bank would not be satisfactory unless it published the degree to which the partners were responsible?—The Public ought to have confidence in the existing surplus capitals of all banks, but more especially such as issue paper money.

874. Does not the confidence of the Public in a private bank depend, not upon the amount of assets or public securities which are known to be possessed by the bank, but upon the personal character of the parties who are partners in that bank?—It is probable that a bank would have no great share of public confidence if the partners of that bank were not supposed to be possessed of large private property.

875. In what way would you propose that the publication of that private property should take place?—I have never pretended to define the mode by which that publication should be made, but I conceive it would be necessary for the public security.

876. You appear to consider that it would add to the security of the bank that there should be a positive and subscribed capital?—Whatever gave security to the Public, on the part of private bankers, would be equally so to the bank.

877. May not the Public themselves be safely entrusted with ascertaining the credit of the Bankers with whom they deal?—Certainly, unless they issue paper money, when the Public at large become interested.

878. Do not private Bankers give accommodation in the neighbourhood in which they act to a description of persons to whom the Branch Banks could not afford accommodation?—Certainly.

879. Therefore, do not you think it of great importance to maintain the system of Country Banking with reference to all that class of persons to whom the Country Bankers can give accommodation, but to whom the Bank of England, consistently with the principles upon which they act, cannot give accommodation?—Certainly; nothing could be more impolitic or prejudicial to the country than an interference with the legitimate business of Country Bankers.

880. Are you of opinion that the affording this accommodation to individuals by Country Bankers is much facilitated by the issue of their own notes?—It depends upon the amount of that issue, and whether made upon convertible securities; the value which the Banker receives for his circulation so far increases his deposits, and a given proportion of which he is enabled to advance for the purpose of general accommodation in his neighbourhood.

881. Could not a Country Banker issue his own notes, those notes being perfectly secure, at less cost to himself than he can issue the notes of the Bank of England?—I think he might.

882. How comes it to pass, then, that in many cases the Country Bankers agree to take your notes?—Because there are collateral advantages in conducting their general business with London and other parts of the country where the bank is situated, which render it more desirable, in the opinions of such parties, to act with Bank of England paper than with their own.

883. Are not the profits of the Country Bankers of two different kinds, the one derived from the employment of the deposits made in their hands, and distributed by them in the discount of bills, which profit has nothing whatever to do with the issue of their paper, and another profit derived from the circulation of their notes?—The profits of the Country Bankers are of various kinds, the principal of which are derived from deposits of individuals, and the value received for the notes issued and remaining in circulation. A given proportion of these assets are, I imagine, lent out in their immediate vicinity, at the best rate of interest they can obtain. They have also, in some parts of the country, a commission upon the general accounts which pass under their management, but that, I believe, not to be universal.

884. Are you at all acquainted with the Banks at Norwich?—No, I am not personally.

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885. May not Banks be divided into three classes; Banks of circulation, Banks of discount or exchange, and Banks of deposit?—A bank of circulation may be defined to be that which has but a small amount of deposits; all banks are more or less discount banks. I do not know how to draw the distinction referred to.

886. In issuing Bank of England notes, does it not make a very material difference to a Country Banker, whether his establishment is situated in the town where the Branch Bank is, or at a more distant place?—There is a material difference, unless an arrangement be made to obviate it.

887. Would not that account for Banks issuing the notes of the Bank of England, which are situated where the Branch Banks are, and others at a greater distance, preferring to issue their own?—There are two or three Banks at a distance from the Branch Banks, who issue Bank of England paper, I think at Wolverhampton or Dudley; Banks situated at a distance from the Branch Bank being deprived of the power of getting their daily or momentary supply of Bank paper, are in the habit of keeping an amount in their possession, for which they are only charged at the average period of issue.

888. In case they had their own notes lying by in their coffers, they would of course pay no interest for them?—Nor do they pay any interest for the Bank of England notes until they issue them.

889. They being bound to give you security and a return of the day's issue?—An average period is taken by agreement, I think three days or four days.

890. Supposing he suddenly applies for an increase, what is the answer of the Bank of England?—It is given to him upon his application.

891. Is there not an original fixed credit, or do you allow them to take out without limit?—The agreement is for a fixed amount, with reference to their average circulation.

892. Might not the Bank, on a general view of the state of the circulation of the country, reply to a banker, We do not think it expedient, upon a review of the whole state of the circulation, to increase our issues, and therefore we refuse your application?—No, not until the demand exceeds the sum agreed to be supplied for his circulation; if he wants a further supply, he obtains it, through the Bank, from the London money market, provided the Bank do not find themselves in a position to extend their general issues.

893. Then the present system gives opportunities of greater expansion and contraction, according to the local wants of the neighbourhood?—Yes; they have at all times perfect access to the London market, through the Bank of England.

894. Might not cases occur in which the Bank of England would decline to authorize a further issue, from considerations affecting the general state of the circulation?—The Bank of England never refuse to grant an issue at the moment, but with the condition that the Bank are at liberty to send those securities to the public market in London for discount.

895. Then the securities to the limited amount are always reserved by the Bank, and not negotiated in the market?—Certainly.

896. And if a banker requires any assistance beyond that amount, the Branch Bank will issue the notes, and feel themselves at liberty to negotiate the securities in the market, instead of retaining them?—Yes, that is the arrangement.

897. Are not the securities you speak of, always negotiable paper?—Yes, it is stipulated they shall be of that character.

898. You do not give it upon stock?—The Bank would give it upon stock, if the stock was authorized to be sold.

899. Then the course of the transaction is this, a Country Banker dealing with you in the manner you have described, gives accommodation to his customer on his paper, which paper he sends to you as security?—Yes, in the first instance to the extent agreed upon, and afterwards for negotiation in the London money market.

900. That system of banking, it is presumed, would not answer at all for a Banker, for instance, in a country district, who is in the habit of lending money to a wealthy farmer, knowing his yard may be full of corn and stacks; or of giving accommodation upon what may be termed cash accounts, similar to the cash accounts of Scotland, where the customer gives the banker no negotiable paper in return; in as far as he gives no negotiable paper in return, the banker has no power of commanding your bank notes, but he has the power of issuing his own notes, if those notes would circulate; is it not evident, therefore, that that system of circulation would not answer to the description of persons referred to?—

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The principle of circulation acted upon by the Bank applies solely to negotiable securities. The credits mentioned as being given by Country Bankers upon securities not negotiable, ought, in my judgment, to be limited to a moderate proportion of the deposits, and not made by paper money payable upon demand.

901. Are you aware that in country towns the advances made by the Country Bankers are very rarely upon any thing you would term negotiable securities?—That may be the case, but the propriety of such advances to the extent alluded to is very questionable.

902. Should you say that a Country Banker managed his business well, who made his issues without any reference to his deposits?—There are two descriptions of deposits, one the value received for the paper money, the other the deposits of individuals; and I am of opinion that no part of the former ought ever to be advanced upon securities which are not negotiable, unless he be possessed of private capital to the same extent convertible upon demand.

903. Supposing that the Country Bankers, instead of issuing their own notes, were, as a general practice, to become agents for the circulation of the notes of the Bank of England, would not the effect of that be to transfer the responsibility for the whole amount of circulation from the Country Bankers to the Bank of England?—That would be the effect.

904. Cannot you conceive cases of political alarm, in which persons in a remote district in the country would consider the paper for which the Bank of England was responsible, less secure than the paper for which gentlemen in their immediate neighbourhood were responsible?—Such instances would, I imagine, be of very rare occurrence.

905. Is there that knowledge of the solvency of the Bank of England in remote parts of the country, that prevails in London, where its circumstances are well known?—I think no reasonable doubt can exist, in any part of the country, of the perfect solvency of the Bank.

906. The question refers to those political alarms when reason and judgment are disturbed, and people press for a change of the paper securities that they hold into gold?—If such a discredit was occasionally to arise, the duration would be very limited.

907. The question refers to a desire to make an exchange of paper into gold; do not you conceive that the desire to change that paper into gold might be increased by the Bank of England having the monopoly of the whole paper circulation of the country?—I do not apprehend that any such feeling could operate against a Bank note circulation.

908. At a moment of political excitement, have you not heard that in country districts the notes of the Country Bankers have actually been preferred to the Bank of England paper?—I am not aware of the circumstance, but it may have happened.

909. Are you not aware that in 1825, at the time the local paper was greatly discredited in some districts, Norwich for instance, the Bank of England notes were eagerly taken?—Certainly.

910. You have stated, that the Bank of England give to the Country Banker certain facilities of obtaining money beyond the fixed amount agreed for, upon his giving negotiable securities; could not the Country Banker obtain the same accommodation upon his negotiable securities, through the means of his London correspondent, without the intervention of the Bank of England?—Certainly; a Country Banker may issue Bank of England paper and coin, without the intervention of the Bank.

911. If the Country Bankers were to circulate the Bank of England paper instead of their own paper, do you conceive that the publicity of the property of the Country Bankers would be as necessary in that case as it is at present?—I have already stated that I see no reason for requiring publication of Accounts by such Bankers as do not issue their own notes.

912. Do you still retain your opinion, that it is possible for the Country Bankers to issue notes beyond what the common necessities of the country require, without their being immediately sent up to London for payment?—I maintain that every Country Banker does, under the present system, issue upon such negotiable securities as represent the existing prices, he having little means of judging whether

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those prices are above or below their relative value in other countries ; if above, it does not follow that issues so made will promptly return upon him.

913. Are you not aware that in discounting bills, when the Country Banker expects that the notes shall be immediately transferred to London, that he is in the habit, generally speaking, of discounting with Bank of England paper or gold, in preference to his own notes?—I am not aware of the degree of caution exercised by the general body of private Bankers ; it is quite clear that no private Banker will issue his own paper with a knowledge that that paper will be returned the next moment for payment ; but it is equally clear that a Country Banker, with a general knowledge of the prices throughout the country, will make his own issues with reference to those prices.

914. Do you mean that he does not proportion his issues to the means which he has of meeting them by the available assets he has in London?—The available assets are such as he receives from his customers ; those available assets are securities which are supposed to be marketable, and which he relies upon being able to convert into Bank paper or coin whenever demands are made upon him, either in the Country or London ; that, however, in no way prevents the possibility of excess in the Country issues, and which may occur without the Country Bankers being chargeable with the cause.

915. Do you not conceive that the necessity of paying those notes in London, or where they are required to be paid, is of itself a sufficient check to over issue?—I think not.

916. Is it not as complete a check as the payment of the notes of the Bank of England in gold is against over issues on the part of the Bank?—No, because the Country Banker relies upon the purchase of Bank paper in London with the securities he holds after the excess has been created, which excess is the evil complained of. I by no means mean to contend that a Country Banker has not the power of upholding his credit against an excessive issue, if he be a person of property.

917. You stated that a Country Banker could not issue in excess with safety and advantage to himself?—My intention was merely to express an opinion that all issues in excess are eventually prejudicial to the whole country.

918. If it is issued in excess, does not it prove to be disadvantageous to himself in the same way that an excess of issue by the Bank of England proves to be disadvantageous to the Bank of England?—The difficulty is for the Country Banker to know, when general prices are in excess, upon which his issues are made ; he therefore is the more likely to sustain inconvenience from a suddenness in the returns upon him at a time of scarcity of Bank paper occasioned by an adverse foreign Exchange.

919. Is not he apprised by the notes being returned to him, as the Bank of England is?—Certainly ; but the demand upon the Country Banker is seldom, except from internal demand, simultaneous with that upon the Bank ; the former will generally follow at some distance of time.

920. Do not you conceive that the excess is exhibited by his London account coming down to him charged with a large amount for the notes he has issued?—When his excess is exhibited by an increased demand upon his London correspondent, he requires more Bank paper or coin to place his account in credit, and the necessary provision must then be made for that object.

921. May he not do that by a sale of exchequer bills or securities, without going to the Bank of England?—That is acting indirectly upon the Bank of England ; so long as the Bank of England paper in London represents the means of payment, an increased demand by the Country Bankers takes from the market for their use part of that which formerly was applied to other purposes.

922. Supposing the Bank of England does not buy those exchequer bills, are they not bought by means of paper which is already in circulation in the country?—Certainly ; but the value of that paper is considerably enhanced by such an increase in the demand, and consequently other parties will be driven to the Bank for supplying their wants, though the Country Bankers may not take that course.

923. How, then, does that affect the Bank?—It affects the value of Bank paper, and thereby increases the demand upon the Bank.

924. Does not it affect that only which is already in circulation, without requiring

requiring the Bank to issue a larger quantity?—My preceding answers explain the nature of the action upon the Bank. *J. Horsley Palmer, Esq.*

925. What is the exact meaning you attach to the term “excessive issue” in your late answers?—By the term excessive issues I have intended to refer to such excess as has been exhibited by a state of prices higher than those in other countries, thereby rendering the foreign Exchanges unfavourable, and causing a return of notes upon the Bank for bullion.

926. How long does it take before that operation is observed by the Bank of England?—The Bank are not apprized until the demand for bullion exceeds what the market will supply, when the price of gold immediately advances to the standard price, and the Bank must then supply, either in coin or bullion, any surplus quantity which may be required for export.

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MEMORANDUM.

WITH reference to the action of the BANK prior to the year 1819, and subsequent to that period, the Governor begs to submit the following MEMORANDUM for the consideration of the Committee.

THE REPORTS of the COMMITTEES of PARLIAMENT of 1797, 1810 and 1819 are before the Public. Whatever faults were committed prior to those respective periods, they were more the acts of the Government than the Bank, by forcing upon the latter Exchequer Bills, in opposition to the repeated remonstrances of the Directors of the Bank.

By the Resolution of the House of Commons of 1819, the Bank were required, within four years, to pay off in gold the amount of their 1*l.* notes then in circulation (about 7,500,000); further, to provide the coin for paying off the country small notes in 1825 (about 7 or 8,000,000 more); in addition to which, the necessity was imposed of providing the requisite surplus bullion for insuring the convertibility of all their liabilities; which addition of bullion to their then stock could not be estimated at less than 5,000,000, making, in the aggregate, 20,000,000 of gold as necessary to be procured from foreign countries within the space of four years from 1819.

That supply of gold could only be purchased by reduced prices of commodities, the Bank withdrawing a given amount of securities in the first instance, the notes for which might be re-issued in payment of the gold as imported. The low prices, and general state of trade from 1819 to 1821, and the withdrawal of the Bank's securities, enabled the Bank to cancel their small notes in the latter year; and in that following (1822), three years prior to the time fixed by Parliament, they were in a situation to furnish the gold for paying off the country small notes, when, without any communication with the Bank, the Government thought proper to authorize a continuance of the circulation of the country small notes until 1833. The consequence of that measure was, to leave in the possession of the Bank an inordinate quantity of bullion (14,200,000*l.*, in January 1824) and further to afford the power of extension to the Country Bankers' issues, which, it is believed, were greatly extended from 1823 to 1825.

Notwithstanding that vacillation on the part of Government in 1822, and the events which followed, the Bank took no measures from January 1822 to April 1824 to increase their circulation; the increase at the latter period was forced from the Bank by the increased amount of bullion held in 1824 over that of 1822.

BULLION.				CIRCULATION.			
			£.				£.
April 1824	-	-	13,800,000	April 1824	-	-	19,300,000
January 1822	-	-	11,700,000	January 1822	-	-	17,700,000
INCREASE	-	-	<u>£. 2,100,000</u>	INCREASE	-	-	<u>£. 1,600,000</u>

being less by 500,000 than the increase of bullion.

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Between January 1822 and October 1824, the Bank only invested in securities the amount of deposits which had accumulated in their possession during that period; viz. six millions and a half; they had in February preceding, in order to facilitate the reduction of the Four per Cents, engaged to pay off in October 1824 the dissentients, under a stipulation that such advances should be repaid by quarterly payments from the Sinking Fund of 500,000*l.* each. This latter engagement was made when the Bank held an inordinate stock of bullion, and while the Exchanges were in favour of the country; and it was not until 18th November 1824 that any direct evidence was afforded to the contrary. In consequence of the advances made to pay the dissentients in October 1824, the issues of the Bank were increased in January 1825 to the extent of 1,300,000*l.*, which advance was the only amount of increase of circulation with which the Bank can be charged, but which was justified by the Bank then holding an amount in bullion very nearly equal to one-third of its total liabilities.

During 1825, the bullion exported from January to November extended to seven millions, and which of itself effected every degree of contraction through the Bank notes and deposits which could be reasonably required or endured by the Public. The inconvenience finally sustained, towards the close of that year, arose entirely from the discredit of the private Bankers' circulation, which caused a demand upon the Bank for coin to the extent of two millions and a half.

Whatever charges may be made against the Bank for investments in mortgage and dead weight during the period referred to, it is to be remarked, that the advance of the first did not extend to more than half the surplus profit of the Bank, which in no way interested the Public; and further, that neither the amount advanced on mortgage, dead weight, nor any other securities, exceeded the deposits which had accumulated from January 1822 to October 1824. It is further contended, that there can be no more eligible mode of investing a portion of the assets held by the Bank than in an annuity, which is constantly upon the return: the shorter the period of the annuity, the more eligible for the Bank's object.

Since 1826, no objection has been made against the management, except such as may have arisen from the establishment of Branch Banks.

Let the objects of those establishments be considered, as regards solidity and regulation of the paper money, upholding upon the spot the credit of the country banking and internal commercial interests, the opening of the London market, rate of interest to the country capitalists, and, lastly, the increased security to the Bank, in the diminution of the risk arising from internal discredit.

Mercurii, 13^o die Junii, 1832.

THE RIGHT HON. LORD VISCOUNT ALTHORP, IN THE CHAIR.

Vincent Stuckey, Esq. called in; and Examined.

*Vincent Stuckey,
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927. YOU are a Banker in Somersetshire?—I am.

928. How many branches has that Bank?—Fourteen.

929. Is it connected principally with the agricultural districts, or with the commercial?—Mostly with agricultural, but in some measure with commercial.

930. Through what counties do they extend?—Our establishment is confined to Bristol and the county of Somerset.

931. Where are your head quarters?—The head quarters at present is at the old Bank: but naturally the chief office of the Bank would be at Bristol. I have it at Langport, because it is the place where I reside; here also is the residence of the Accountant General, and all the accounts are brought there every month by means of registers, so that I can always see the state of every concern.

932. In short, is it from thence that the whole management is superintended?—Precisely. As Chairman, I exercise a general superintendence, having active cashiers under me, who manage that department; and I have also a resident partner in most of the establishments, a person conversant with the local neighbourhood.

933. Is yours a Joint Stock Bank, established under the Act of 1826?—It is.

934. Is the partner resident at the different places, a partner only in the business of the place he resides at, or is he a general partner in the whole of the transactions?—He is a general partner in the whole of the transactions; he must be so under the deed of the Company.

935. Are your partners chiefly your own family and relations?—No.

936. How many branches have you?—Fourteen; and twelve partners, some of the partners taking charge of two places, where they are near each other.

937. Are all your partners liable by law to the whole extent of their fortune?—Of course they are.

938. Will you mention the different places where you have establishments?—Langport, Bristol, Wells, Shepton Mallet, Taunton, Bridgewater, Chard, Ilminster, Crewkerne, Wellington, Castle Carey, Martock, and Bruton.

939. Do you issue notes?—Yes.

940. And take deposits?—Yes.

941. Do you give interest upon deposits?—Yes.

942. Upon what condition do you give interest upon deposits?—If we have a deposit above 1,000*l.* we are to receive sixty days' notice on withdrawing it; but if it is under that sum, we require thirty days' notice. This is seen on the face of the interest note; but in all cases we do not actually take the thirty days; as a matter of convenience to parties, we sometimes deduct the interest, paying the money down; but that is optional on our part.

943. On how small an amount of deposit do you pay interest?—We pay interest on deposits to the amount of 20 *l.*; and we have money of that sort in our Bank that have been there for more than twenty years, acting in that case like a Savings Bank.

944. What rate of interest do you pay?—We pay on small sums three per cent., on large sums we do not pay so much; we do not always pay the same rate, it depends upon the time for which it is left, and other circumstances; sometimes two, and sometimes two and a half.

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945. In the notes you give for deposits of money, have you stamps upon the notes, or not?—Yes; they would not be legal without stamps.

946. Is the interest they bear mentioned upon the face of the note?—Yes.

947. Are your cash notes payable on demand?—All our cash notes are payable on demand, not only in the country, but also in London.

948. Are all your notes payable indiscriminately at all your branches?—Upon the face of them they are not payable at all the branches, but in practice they are paid at every Bank.

949. Then, although there is no right to make a demand indiscriminately at all the branches, you usually pay them?—Always, I never knew an instance to the contrary; all our notes are paid as soon as presented at any one of the establishments.

950. But you are not under a positive obligation to do so?—No; but it has been always usual to do so, and is in fact the daily practice.

951. You have stated that your notes are payable in London; is that strictly conformable with the law?—Some may have doubts on it, but we have always done it.

952. Is not yours the only Joint Stock Company that makes their notes payable in London?—I am not aware that it is. Many Bankers do not make their notes payable in London at all; I took the opinion of Government and of the Bank of England on the subject, and was told by both of them that they had no objection, and it was accordingly done; but the law should be made clear.

953. It is therefore under the forbearance of the Bank that you continue that practice, of making your notes payable in London?—In some measure.

954. Is it not a great convenience to you, in the management of your business, and to those that deal with you, that your notes should be payable in London?—Very convenient to the Public.

955. Are you aware of any disadvantage that it can be of to the interests of the Bank of England, that the notes of a Country Banker should be payable in London?—I am not aware of any.

956. Are you aware of the nature of the objection made by the Bank of England to abandon that part of their exclusive privilege?—I am not; I imagine they will not object.

957. Are you not aware that it was objected to, under an impression that such notes might possibly be made to become a circulation in London, to come in competition with the Bank of England notes?—No, we cannot issue them in London or within 65 miles; and having more than six partners I cannot draw a draft on my London Bankers; if a gentleman comes into our Bank and asks for 51*l*. I can draw upon a London Banker, but if he wants it for 49*l*. I cannot.

958. You are now adverting to another restriction, in your not being able to draw any bill upon London for less than 50*l*.?—Yes, and a great inconvenience it is.

959. Supposing the law with respect to that were strictly enforced, and supposing you had no means of evading it, would it be a material impediment to you in the management of your business?—Very much so.

960. It is by an evasion, then, of the law that you are enabled to get rid of that impediment?—Yes.

961. Do you not find it a very great advantage that your notes should be made payable in London?—I should think so; we have done it for 60 years.

962. Do you find it a very great inconvenience in the circulation of the country, where Bankers do not make their notes payable in London?—Very great.

963. Are they not by law obliged to make them payable where they issue them?—Yes.

964. But it is optional with them to make them payable at other places?—Yes, it certainly is not the custom in many parts of England to make the cash notes payable in London, and particularly in Devonshire; and great inconvenience we experience in consequence.

965. Are

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965. Are you aware of the grounds upon which the restriction of your not being allowed to draw a draft upon London under 50*l.* was imposed?—Not exactly; although I have had several conversations both with the Government and with the Bank Directors; the Governor of the Bank at the time of passing the Act of 1826 said it was a feather that they had, and that they chose to keep it.

966. Do you apprehend that the power of drawing bills under 50*l.* would interfere in any way with the circulation of the Bank of England in London?—I should think not, and I apprehend they are now willing to give it up.

967. You said that upon certain deposits you gave interest; if a deposit is not to remain in your hands for any definite time, do you give interest upon it then?—We do not.

968. Not upon a running account current?—No, that is not the custom in the county of Somerset; a person having an account current may give a check for his balance any day, and of course in that case the banker cannot be expected to give interest.

969. Then, to your general customers at Bristol, it is not the practice to allow interest?—Not upon a running account.

970. And you allow no interest upon money in your hands payable upon demand?—We do not; I do not mean to say that it has not happened that a man has had 500*l.* upon his account, and he has not come for it for a twelvemonth, he may have said, You must allow me some interest upon that, and we may have done it, but it is not the rule of the Bank.

971. Can you state to the Committee what proportion your deposits bearing interest bear to those which bear no interest?—The greater proportion of our deposits are on a running account, like all London Bankers, on which we pay no interest.

972. Have you any objection to state the proportions?—It is about one-third; that is, the cash in account, is about two-thirds more than the debit account. It is a principle that I have endeavoured to adopt as far as I could, that the money we take in at interest at 2½ and 3 per cent, I lend to the agricultural interest, both landlord and farmer, at four or five; we are of course in the habit of accommodating farmers; that accommodation, from the month of May to the month of October, takes place to the extent of perhaps 40,000*l.* or 50,000*l.*; every body knows that in those months the farmers are out of cash, most farmers begin to be poor in the month of May, he has sold all his stock, and has got his harvest and every thing to get in, and therefore, till October, he leans on his banker. We see what we have got in deposits on interest, which cannot be suddenly called for; we think we may safely lend to agriculturists to the extent of such deposits.

973. Does the agriculturist give you any thing beyond his personal security?—His personal security, with perhaps a deposit of deeds.

974. Is that what is called an equitable mortgage?—It is.

975. He gives you nothing that you can use as a negotiable security in any way?—Nothing, and it is the last thing I should think of endeavouring to negotiate.

976. Is not a great part of the accommodation you give to farmers without any security at all?—Not without the security of his note, or a joint note where we can have it.

977. But without the deposit of any deeds?—Certainly, very often.

978. Where you know a man to be substantial, you lend to him without any security?—We sometimes advance him on account. We paid in the month of May last 20,000*l.* through our Banks, for rent to noblemen and gentlemen, Lord Burlington, Lord Egremont, Mr. Portman, and others. The steward attends the rent-day; we know the tenants, most of whom keep an account with us; on the rent-day he gives a check on the bank, and the steward, instead of receiving 2 or 3,000*l.* in different cash notes, receives it now in a few checks. It may happen that one of the farmers may come possibly a day before, and say, I have got 500*l.* rent to pay to-morrow, but I have only 300*l.* with you, will you let me have 200*l.*; in that case, we generally do it. The money so collected by the steward is paid over to the nobleman's London banker through us, and he draws the check for 500*l.* In these cases there is very little circulating medium used, compared with what it formerly was. The great portion of the taxes of the county of Somerset are now paid in the same way. Our house has been in the habit of remitting the taxes for the last thirty years; the Receiver General, or the Officer

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of Government comes to the county town, and the Collector goes to the Bank, pays in his notes, gold, &c. and gets a receipt, and it is all done in less than half the time it used to take, and besides the Government Officer gets rid of the money daily which is locked up in our strong chests, and makes it unnecessary for the Officers to travel about with pistols, as they used to do.

979. According to your statement, you afford great facilities for the collection of both the taxes and the rents?—Very great.

980. Do you do that in any measure by means of your personal acquaintance with the parties with whom you transact business, or should you be able to execute it as well without that personal acquaintance with the parties concerned?—Of course I do it in my own neighbourhood upon my own knowledge, but I have a resident partner in each town, who adopts the same method; the facilities have been introduced gradually, and in consequence of the improved method of transacting business.

981. You were understood to say that you make advances to the agricultural interest during one period of the year upon a deposit of deeds and securities; do you transact that business also, and accept that kind of security, upon a knowledge of the parties with whom you deal?—Certainly.

982. Do you not put greater trust in them from your personal knowledge of them, in accepting those securities?—Undoubtedly.

983. Could that accommodation, in the collection of rents and in the collection of the public revenue, be afforded by banks which had not the advantage of many establishments and personal acquaintance with the parties with whom the business is transacted?—I should think not to the extent we do.

984. Do you allow interest for any public money that comes into your hands, to the collector?—No, we pay it too quickly to do that.

985. In what way is the public money that you assist in collecting for the public revenue, remitted to London?—Some by post, and we are often obliged to send to London.

986. Is it remitted in a great measure through the Branches of the Bank of England?—Not the revenue only, but also what we take in other business; we have paid through our house into the Branch Banks of Bristol and Exeter 150,000*l.* in sovereigns and bank notes; and we have sometimes accommodated the Branch Banks with silver.

987. Looking at the commercial and fiscal communication between your part of the country and London, do not the Branch Banks appear to afford great facilities?—They afford facilities by enabling us to pay in bank notes and sovereigns, and to transfer the arrears in London; but in other ways they must be injurious to us, they take from us some of our most respectable and best customers; a timid person, in a time of alarm, may take 300*l.* or 400*l.* from us, and carry it to the Branch Bank for safety.

988. Has that been a disadvantage to the customers as well as to you?—Yes; because that same customer has in some instances afterwards wanted an accommodation, and we have, of course, referred him to the Branch Bank.

989. Has the Branch Bank afforded that accommodation?—I only know that they have come back to us.

990. Although the Bank has supplanted your business by those Branch Banks in some respects, has it interfered with the facilities which you have before described, for collecting the revenue and rents in your neighbourhood?—It has in some measure interfered with it, and very unfortunately interfered at Bath and Bristol, where our house had been in the habit of returning the Assessed Taxes for many years. An order came out, that the Assessed Taxes were to be remitted by the Branch Banks; and it happened that the first week of it was the week of the conflagration in Bristol; and every one said, “how happens it that this goes through the Branch Bank of England, and not Mr. Stuckey’s house as usual?” The Branch Bank also sent into the country towns, one ten miles and the other twenty miles from Bristol, and there every thing was in confusion, the Government officer could not get on, as our house had been in the habit of receiving checks and notes of various descriptions, but the Branch Bank officer did not feel himself authorized to do so. In consequence of the representations made, they were prevented from going to those towns at the last collection, but continue to collect at Bath and Bristol. They do not go to any country town in the county of Somerset, with the exception of Frome, and it is to be hoped they never will, because every one must admit that they are not fit to go to a country town, where frequently the

the taxes could not be paid without the assistance of the country Banker. It is easier to remit the taxes than it is to pay them.

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991. Do they at Bath and Bristol execute the business as well for the Government and the Public as it was executed before?—I do not think they give those facilities to the collectors of the different parishes that private Banks would.

992. If they do not give those facilities, why do not the collectors apply to you in preference?—They do apply to us, but we have not the same motive for giving them assistance as we had before. A collector who has been in the habit of doing his business with us, used to come two or three days before the collection, and pay the money into the Bank and take a receipt. It has sometimes happened that we have lent that collector 200*l.* when he has not been able to collect all the taxes, and we have it again in a week or so; whereas now he pays over only the actual money he has received.

993. When the Assessed Taxes were ordered to be remitted to the Branch Bank, was there any order given by the Branch Bank to their agents in different places, to receive nothing but gold or coin of the realm in payment of King's taxes?—I am not aware that it was so, but of course the Branch Bank officers are more particular than we are.

994. If there was such an order, would not you conceive it a great inconvenience to the whole district?—Most decidedly.

995. Do you conceive it possible that in any district where the circulation consists chiefly of country bank notes, it would be possible to collect the King's taxes, if that order was acted upon?—I do not think it would be possible.

996. Do they act upon it in Bath and Bristol, or do they take your notes?—They take our notes, as we have an account with them.

997. In fact, they never did refuse to take your notes in payment?—No, because we have an account with them; but if a Banker did not keep an account with them, they would not, I apprehend, take his notes.

998. How did you make your remittances before the Branch Banks were established?—By sending to London.

999. Do not you know the Branch Banks to be convenient, not only in being able to pay in and receive the amount in London, but that you may also pay in in London, and receive the amount in Bristol?—Quite so.

1000. And that you consider to be a great convenience?—I do.

1001. By having an account with the Branch Bank, do you mean a balance of money in their hands?—Of course.

1002. You have described the manner in which you make advances occasionally to the farmers in your neighbourhood; does the same system of advance extend to traders of all descriptions in the neighbourhood of your bank, provided the security is equally satisfactory?—Yes.

1003. Your Bank has been established a long period as a private country bank, at Langport?—Upwards of 60 years.

1004. Do you think the accommodations you have described, afford a material advantage to the traders and farmers, and dealers of all kinds, in the neighbourhood of your establishment?—I should hope so, and I think so.

1005. Do you think the trade of that district could have been carried on to the extent it has reached, without such accommodation?—I think not.

1006. Have you any objection to state the amount of your circulation at different periods?—No.

In June 1830, it was	-	-	-	-	-	£. 155,000
Dec. 1830 -	-	-	-	-	-	150,000
June 1831 -	-	-	-	-	-	180,000
Dec. 1831 -	-	-	-	-	-	150,000
June 1832 -	-	-	-	-	-	170,000

1007. Do you think any other system of banking could have rendered a more effectual assistance to the trade of that district, than that which your Bank has done?—I should think not; but I have adopted the system of a joint stock or extended bank.

1008. Has that enabled you to give greater assistance to traders than the old system did?—I believe it has. I was a partner in four or five Banks before the Act allowed me to unite them, and I found that I was very inconveniently situated often by one of them, as it were pulling against the other. By the Act which took place some years ago, the Banks were allowed to unite, and I have found it of the

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utmost convenience in all branches of my business; I now can have any given number of partners; and by combining local knowledge with this advantage, I have since extended my business, and given great facilities in many ways, which could not be done before.

1009. What are the sources from which your establishments derive their profit?—Much as all other bankers, by the interest on the sums of money that we have in circulation, and on account.

1010. It arises, then, from the interest you make of notes in circulation, and deposits placed in your Bank?—Yes.

1011. Are not part of the advances that you make to your banking connections, made upon available securities at any time convertible?—Yes; but I hold it as a principle of banking, that I should always be enabled to provide for the whole of my circulation, either by cash or Bank of England notes in store at my different establishments, or at the Bank of England or Branch Banks, or by having Government securities or cash with my London banker to the full extent; what I mean is, that I have available securities always ready to get in in a day, to pay the amount of the whole circulation.

1012. A certain proportion of your deposits and circulation is employed in banking discounts and accommodations, and a certain other proportion in Government and other available securities?—Yes, of course.

1013. Have you experienced occasionally material variations in the amount of your circulation and deposits?—Yes, taking the period of eight or ten years, very material.

1014. Are you accustomed to reduce your Bank discounts and advances at a time when your circulation and deposits are reduced?—We naturally look with attention to that part of our business; but in case of immediate demand, we generally resort in the first instance to the sale of Government securities, and not lessen our discounts or advances to our friends.

1015. Do you conduct your business with any reference to the foreign Exchanges?—Yes.

1016. In what manner?—The first thing we enter at every quarterly meeting is the market price of gold and silver, and the exchanges with Paris and Hamburgh; that is to serve as a beacon for the general management of our business.

1017. If you find the exchange unfavourable, do you proceed upon that to reduce your circulation?—The circulation we find reduces itself pretty soon; in that case, if it continues long below par, I look with more attention to our available securities, because I should expect that some of them must soon be disposed of.

1018. Then if you experience a reduction of circulation arising from an unfavourable exchange, it operates in reducing your available securities, but not your accommodations to your connections?—Generally speaking, I should say it is so in the first instance; but when our available securities have been disposed of to any extent, we gradually lessen our advances and discounts, until they are replaced; this of course must be done for our own safety.

1019. During the period from August 1830 to February 1832, a contraction of the notes of the Bank of England took place, in consequence of an unfavourable exchange; did you experience any reduction in your circulation and deposits during that period?—Yes, we did; the circulation was reduced.

1020. Was that a forced contraction on your part, or did it arise entirely from the action of the Public upon your Bank?—It arose entirely from the action of the Public upon our Bank; I do not mean to say that we were not at such a time as that more cautious; if we were full of money, and saw every thing going on well, we should lend, whilst under other circumstances we should refuse.

1021. Then according to your experience, do you think that a contraction of Bank notes during an unfavourable exchange operates to reduce the circulation of Country Banks, in the same manner as a drain for gold arising from an unfavourable exchange operates to the reduction of the circulation of the Bank of England?—I think so, certainly.

1022. When did the reduction commence, and when did it cease?—I see, as compared with 1827 and 1828, a considerable reduction in our notes took place in 1829, and particularly at Christmas in that year, then it got up a good deal in 1830, but it was reduced again at the end of 1830, in consequence of the state of the country. In June twelvemonth, when the French revolution took place, there was a tendency in the Exchanges to go against us, and a further reduction took place; it got right again in June 1831. Then, from June to December, it went
back

back again, because in last December there was a degree of alarm ; from that period to the present it might be said to be gradually going on well, except the agitation that took place three weeks ago.

1023. Does not the variation you have mentioned seem to have had more reference to political alarm than to any state of the Exchanges ?—No, I think the Exchanges at that time, according to my memory, were gradually going against us.

1024. And you think that when a reduction took place, and when it stopped, and when a re-action took place, all those variations occurred with corresponding variations of the state of the Exchanges ?—I think so. We are operated upon by the Bank of England ; if the Bank of England is liberal, we immediately find its effect, and of course the reverse.

1025. During the year 1831 did you find a material contraction of deposits and circulation ?—We found a material contraction of deposits in 1831.

1026. You stated that in June 1831 the amount of your circulation had risen again to its former amount ?—Not quite to what it was in 1828 ; I said that in December 1830 it was much lower than it was in June 1831.

1027. This contraction you stated was principally from the action of the Public upon your Bank ; did the enlargement of the circulation from December 1830 to June 1831, take place in the same way, from the action of the Public upon your Bank ?—Generally, because we endeavour to conduct our business upon an uniform system.

1028. Then, if the contraction of the Bank of England notes continued from December 1830 to June 1831, does not it prove that the issues of your Bank do not entirely depend upon the issues of the Bank of England ?—The action does not immediately take place ; but I think as a principle it might be laid down, that when the Bank of England are liberal in their issues, the same principle applies to Country Bankers.

1029. How do you discover whether the Bank of England is liberal or otherwise ?—By the Exchanges generally, and by money being plenty or scarce. I need not say that the money market is looked at every day with much anxiety.

1030. You have been accustomed to observe the Exchanges, and of course to observe the periods at which the Bank of England was making any considerable reduction of its issues ; on the contrary, do you think the Bank of England could reduce three or four millions of its notes in the space of twelve or fourteen months, without that reduction producing a material reduction of your circulation and deposits ?—I do not think it could, unless the currency so reduced should be replaced with coin.

1031. Do you also think that a similar increase of the notes of the Bank of England would have for a time a material influence in increasing your circulation and deposits ?—I think it is very likely.

1032. It has been stated that the care of proportioning the issue of paper to the state of the exchange, or the state of bullion in the country, rests solely on the Bank of England ; and that the Bank of England proportions its issues during an unfavourable exchange by the action of the Public carrying in their notes in exchange for gold, and not by a reference to the current course of Exchange ; does it appear to you that the issue of country bank paper is proportioned to the exchanges and to the bullion in a manner as effectual, and on the same principles, as that of the Bank of England ?—I should think it is ; there may be exceptions, because there have been some Banks that have been very improperly conducted, but I think it is so with Banks properly conducted.

1033. What security can the Public have for the proper conduct of a Country Bank ?—I scarcely know any security but in the general feeling of its good management and the property of its partners ; but I am friendly to the Government having the power to grant Charters with limited liability, and then they may require a paid up capital and other provisions for the safety of the Public.

1034. Although that might give security for the payment of the notes, would that give any security for the proper conduct of the Bank ?—I think it would give a general security ; I am of opinion no bank, with a paid up capital, would be likely to run any very great risk with the other part of their property.

1035. Do you think that only such Banks have acted improperly as had little capital to lose ?—It has been generally found so. The rich Banks sometimes have made a temporary stoppage, from being improperly conducted, we all know ; but the misfortune of banking in England has been, that there have been some

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Banks which have failed, and paid very little; this has given a distrust to the business in general.

1036. When you talk of a paid up capital as a security against misconduct on the part of a banker, do you mean a paid up capital invested in some permanent securities which would be available in case of necessity?—I should say that they should lend to Government, as the Bank of England now do, so much money, which should be a paid up capital.

1037. Are you of opinion that a bank, such as you have described, with a paid up capital, though conducting its affairs with safety to itself, may not at the same time make an over issue of paper, and thereby press upon the gold which remains in the Bank of England for the general supply of the kingdom?—I do not think it would be very probable.

1038. Do you think it possible for a Country Banker to make what is called an over issue of paper, without its coming immediately back upon him?—Not very possible for any length of time.

1039. Could he do so safely during a contraction of Bank notes?—I think not.

1040. Would it be a great advantage to a Country Banker to know accurately what the state of the circulation of the Bank of England was at all times?—Yes; we generally do know; and what ought, in my judgment, to be done is, that we should know the amount of the country circulation also; there ought to be no difficulty in returning the amount to a certain office, the officer to be under an oath of secrecy, if you please. I do not want to know the amount of every individual house, but I think there should be published, every quarter or every half year, the amount of Bank of England circulation, the amount of Country Bank circulation, the market price of gold and silver, and the Exchanges at Paris and Hamburgh.

1041. How would you get the amount of country circulation?—At the Stamp Office, by requiring all to return as before stated.

1042. Do you think that would be sufficient?—Quite sufficient; ours is returned upon oath every quarter.

1043. Is not that because you compound for the stamp?—Yes; and if you do not compound for the stamp, you pay a duty. While I am upon this point, I must beg to say that almost every Chancellor of the Exchequer, for the last twenty years, has applied to me, individually, to know the amount of country circulation, and I have calculated it in various ways, as well as I could; and it is very much to be regretted that we do not have it regularly upon oath, so that we may know the amount altogether; at this moment it is matter of opinion, as the returns from the Stamp Office are by no means a good criterion.

1044. You have stated certain provisions which you deem to be necessary for the establishment of joint stock Banks upon a good footing, and you adverted to others, which you said you thought might be necessary to give security to the Public; will you state those more particularly?—One of those is publicity. I should think that if a Bank be permitted to have a charter, the parties granting the charter ought to require a statement of their concerns once in a twelvemonth, perhaps a debtor and creditor account.

1045. Do you think that the periodical publications of the Accounts of such a Bank would be a great security to the Public?—I think so generally; but I stated, that the parties granting the charter, I mean the Government, should have the Account before them; but it is quite a different thing to have it published in the newspapers. This observation may also apply to the Bank of England: a debtor and creditor account is, in my opinion sufficient for them; I do not think it would be prudent or even safe to publish the account of bullion and coin in their possession. Suppose the Bank has 30,000,000*l.* of circulation, and that they have 10,000,000*l.* of sovereigns and 20,000,000*l.* of Government securities, the ten millions of sovereigns, of course, will not pay all the circulation, and yet the Bank is perfectly solvent.

1046. There are two sorts of publicity: one might be a periodical publication of the state of the affairs of the Bank, showing its assets and its liabilities, either at frequent periods or whenever called upon by a public officer, or by any proprietor; the other might consist in a publication, also periodically, of the transactions of such a Bank for an antecedent period, showing what the nature of its business has been for some period antecedent to that at which the publication was made; do you think that both of those descriptions of publication are equally liable to objection?—No, I do not think they are; I see no objection to a general statement of the assets of the Bank, as we have frequently seen of the Bank of England,

England, but I object to stating the particular amount of gold, &c. that they may have in their coffers.

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1047. Then the Account that is published, you have no objection to its being published as applicable to the time present?—Not the least; I should see no objection to a general Account of the state of the Bank of England periodically.

1048. Or of a Joint Stock Bank?—Certainly not, if they had charters.

1049. Although it might be objected to as being detrimental to the affairs of a bank, would there not be some advantage in the check which such periodical publication would impose upon the management of it?—I think it very possible that there would be.

1050. Do not you consider the great object of the Country Bankers, as well as the interests of the country depending upon it, to be, that the Bank of England's affairs should be conducted with steadiness, that there should not be contractions at one time and expansions at another, but that the great object is steadiness?—Certainly, as much so as possible.

1051. Do not you therefore consider the question of publicity, as it respects the Bank of England, to depend upon whether the publicity would tend to that steadiness in the issues of the Bank of England which you consider desirable?—If it had this effect, it would be desirable.

1052. If the publicity of the amount of their bullion would subject them to occasional jerks and unsteadiness in the action of their bank, would it be prejudicial; but if on the contrary it tended to produce a more steady course on the part of the bank, would it then be advisable?—I think such an Account as I would have published would not occasion any unsteadiness, because I should not distinguish the gold coin, &c.

1053. Your objection to the publication of the amount of bullion, is from an opinion that it might cramp the action of the Bank, so as to produce the unsteadiness alluded to?—I think so; an unnecessary alarm.

1054. Supposing the Bank of England to have its specie run rather lower than it wished, and it was obliged to contract, that contraction being produced by the sale of the Government securities which it held; supposing the effect of that state of things reaches you in the country, and you, acting upon it, make a corresponding contraction, must it not be by realizing in London the Government securities that you hold?—Certainly.

1055. Would not, therefore, the knowledge of the fact of the Bank of England being about to act in that manner, produce a simultaneous action on the part of the different Country Banks in the country?—Undoubtedly, I should think so.

1056. Would not therefore the Bank of England be impeded by the fact of publicity, in righting itself by the sale of its securities in London?—It would entirely depend upon the nature of the Account published, as I have before explained.

1057. Supposing there to be a publicity of the state of its bullion?—To that I object. But I think it very desirable that there should be a power lodged with the Government, that the Bank should be permitted to pay in uncoined gold, as they have before done, and that under such circumstances the Country Banker should be authorized to pay in Bank of England paper. Periods of alarm may arise in which almost every body demand sovereigns, and it may be impossible to comply with it, although there may be plenty of property.

1058. You think the Bank of England paper being made a legal tender for the Country Banks, would have a tendency to secure the Public against those great fluctuations which are so prejudicial?—Certainly; in the case above stated, as it is now in most cases, it acts as a legal tender, but times may arise when that may not be so; that time arose in some measure three weeks ago, when the Public did not like taking Bank of England paper, but preferred gold.

1059. Was there a marked difference at that time with respect to Bank of England paper?—Yes, Bank of England paper was frequently brought to our Bank, to be exchanged for our notes.

1060. Did not that operation arise, not so much from any distrust of the Bank of England, as from people thinking that they could gain a particular object by distressing the Government and the Bank?—I suppose it was so.

1061. Do you ascribe it to any distrust of the paper of the Bank of England?—No.

1062. Did you find in all instances that the parties who had desired to have sovereigns rather than Bank of England paper, had been actuated by political

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reasons of any kind?—It is a difficult question for me to answer; but in general so far as my knowledge went, the parties demanding gold seemed to be in a state of alarm.

1063. In the course of your experience, did you ever find discredit thrown upon Bank of England paper before the period to which you have alluded, three weeks ago?—I do not know that I ever did as much as it was then.

1064. Did it amount to a considerable run, three weeks ago?—Not a considerable run in currency; I was assured our house did not find it necessary to have a single sovereign from the Bank of England.

1065. Do you not think it would be an accommodation to the Country Banker, particularly in times of discredit, if he could pay 5*l.* instead of 40*s.* in silver, beyond which amount he cannot legally pay now?—In my experience I never found that it would be so.

1066. You have said that in certain cases the Bank of England notes should be made a legal tender; under what circumstances?—In cases of alarm, and when the Bank of England should be authorized to pay in uncoined bullion.

1067. You have stated that you have reason to believe that the publication of its bullion and coin by the Bank of England, would increase the fluctuations in its issues; will you state the grounds upon which you think that the publication of its bullion would have that effect?—The Bank of England having a circulation of 30,000,000 *l.* for instance, would not probably have more than half that amount in coin and bullion; this in ordinary cases would be much more than is necessary, yet still the publication of it may create an alarm with the ignorant part of the Public.

1068. Supposing that the informed part of the Public, not the ignorant part, but those who are able to judge upon this question, were to think that any certain sum, say 10,000,000 *l.* was a fit sum for the Bank to have in its coffers, if that sum of 10,000,000 *l.* by any accidental circumstances was reduced to seven or eight millions, would not the circumstance of that reduction immediately produce that extent of panic which might immediately force you to a reduction of your issues, and for the purpose of making that reduction of your issues might force you to go upon the London market with a sale of your securities?—It is possible it might have that effect.

1069. If the Bank had to right itself from this adverse state of fear, with a concurrence of a demand from the country, may it not produce the symptoms of a panic?—I should think, to a certain degree it would.

1070. On the contrary, supposing it should appear that the Bank of England had 15,000,000 of sovereigns or bullion in their possession, would not that be a signal as it were to the Country Bankers, to be liberal in their issues of Bank notes; would it be a subject of speculation with them?—If the Bank were liberal, the effect would soon be felt in the country; but if the Bank of England and the Country Banks, were at the same time selling them, Government securities would be very unpleasant.

1071. If you knew that the Bank of England had but 20,000,000 of notes in circulation, and that they had 15,000,000 of gold in their possession, would not you think that a state of things in which not only the Bank of England, but Country Bankers also, might be liberal in their issues of notes, and would not that be a criterion for you to regulate your issue by?—It is possible it might have some effect.

1072. Are not the issues of a Country Banker, and the proportion of his assets to his issues, constantly varying?—Yes.

1073. If at any period the Country Banker were obliged to publish to the world the exact point of the lowest proportion of his assets to his issues, would not that have the effect of constantly drawing upon him, to his prejudice, calls upon the part of the Public?—I think it would; it would have that effect even on the Bank of England.

1074. You have stated, that at one period you experienced a reduction in the proportion of four to three; did you ever experience, during any considerable period, any greater reduction, or increase than in the proportion of about four to three?—No, but at the Panic in 1825.

1075. Did your circulation increase in the proportion of about one-third in the years 1824, 1825 and 1826?—I do not think it did.

1076. Did it diminish much more than that, after the Panic?—Immediately after the Panic it ran down very rapidly, but it got right again in a few months.

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1077. To what extent did it go down at that time?—It went down, I should think, considerably below one-half.

1078. Was that both in the deposits and in the notes?—The deposits went after the notes, to the extent of one-half.

1079. You have described the variation of your circulation under ordinary circumstances to be about one-third; it appears that the returns of the Country Bankers notes to the Stamp Office, show, at different periods, variations of much greater extent than that; is that occasioned by this fact, that if your circulation should be reduced one-third in any year, the year when that reduction took place you might not be under the necessity of going to the Stamp Office for any new stamps at all?—Certainly; the Stamp Office return is a very bad criterion, particularly for the circulation at any given period.

1080. Might you not appear, by the Stamp Office return, to have a reduction of circulation to the amount of 80 per cent, while the real reduction might not be 25 per cent?—Certainly.

1081. Therefore if any measures for the regulation of the circulation have been taken, founded upon the Stamp Office returns, those were founded upon a perfectly erroneous ground?—I should think so.

1082. Do you think that the over issues of the Country Banks in 1824 and 1825, were the main cause of the panic that followed?—No, not the main cause.

1083. To what do you ascribe it?—I ascribe it, in the first instance, to the Bank of England not attending to the Course of Exchange, and their being too liberal in their issues in 1825; this I have so stated at the Court of Bank Proprietors, and I took the liberty of writing a letter to that effect in 1825; and I may mention a letter also I saw in June 1825, written by the late Mr. Huskisson to a Director of the Bank, drawing the attention of the Court of Directors to the subject of the Exchanges.

1084. Have you reason to think that the opinion you have expressed is concurred in by other practical men?—I should think so.

1085. And by the present Directors of the Bank of England?—I should imagine so.

1086. You stated you had frequently been inquired of, by the Chancellors of the Exchequer, as to the quantity of country paper in circulation; do you happen to recollect whether any inquiry was made of you in the year 1825?—Certainly there was.

1087. Do you know what the result of the inquiry was in 1825 as to the quantity in that year, as compared, with 1822 and 1823?—It was more, but I do not recollect particulars.

1088. In what proportion do you think it had increased in that period, as compared with 1824 and 1825?—As far as my recollection goes, the Country Bank paper had increased in 1824 and the beginning of 1825 much in the proportion that the Bank of England had; no doubt an increase had taken place in both.

1089. You have seen the Account that was laid before Parliament, from the Stamp Office, of the amount of notes stamped in the years 1822, 1823, 1824 and 1825?—Yes, but I think it a bad criterion, as I have before stated.

1090. If that had been a criterion, would it not appear that the Country Bank paper had greatly increased in the years 1824 and 1825, as compared with the preceding two years?—I suppose it would.

1091. Is not it a relative criterion?—A very bad one, I think.

1092. Supposing a country banker to have a circulation of 100,000*l.* and that to keep up that circulation he requires stamps to the amount of 1,000*l.* per annum; supposing that circulation to be reduced 10,000*l.* in one year, would not that take a greater proportion than one-tenth from his demand at the Stamp Office?—Certainly; it would prevent his applying for any stamps.

1093. On the other hand, suppose he has a circulation of 100,000*l.* upon which he pays 1,000*l.* in stamps, and that his circulation is increased 10,000*l.* must not he go to the Stamp Office for new stamps to the amount of 20,000*l.*, which might be double the amount of the previous years?—He would reissue the 10,000*l.* which came in the previous year; stamps continue in force a long period; and it is this issuing and reissuing that tend to make the Stamp return a bad criterion.

1094. Did you, prior to the passing of the Act in 1826, issue one pound notes?—Yes.

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1095. What was the comparative amount of the notes you issued under 5*l.* as compared with the notes above 5*l.*?—The one pound notes never amounted to one quarter of our issue.

1096. Has your circulation, since the withdrawal of 1*l.* notes, been replaced by the substitution of other notes?—No, but by gold and silver.

1097. Then your circulation is still deficient one quarter now, as compared with what it was when you issued 1*l.* notes?—Yes, its place is supplied by what I call the more legitimate circulation.

1098. You say that you conceive the amount of notes stamped is no criterion of the circulation of the country; can you give the Committee, as an illustration of your position, a statement of your circulation in the last five years, and also, in comparison with that, the amount of notes stamped by you during the same period?—I think I can do so, but I must have some time to do it.

1099. Do you apprehend that there would be any inconvenience to the Country Bankers generally, in calling upon them to pay the stamp duty by composition, instead of leaving it optional to them, as it is now?—I think it would be objected to by some; we adopt it, but others do not like it.

1100. What do you apprehend to be the ground of the objection?—One of them told me that they like to see the stamp upon the note; but I think the objections to it may be easily overcome; at all events, even if they have the stamp, they might be compelled to return the total amount at the same time as those who compound.

1101. You have stated, that when you issued one pound notes, your whole circulation was greater than it has been since; did you, in those days, afford greater accommodation to the Public than you do now?—No, I think not; one pound notes enabled us to afford but little accommodation to the Public.

1102. Did you find that your 1*l.* notes remained out longer than you find the 5*l.* notes do?—No; I never was friendly to the issue of 1*l.* notes; I never thought they were profitable to a banker; if 1*l.* notes had been in circulation in the city of Bristol, in my judgment, looking to the public events of the last twelve months, every banking-house would have been pulled down.

1103. Would you, as a Country Banker, be inclined now to re-issue 1*l.* notes, if that liberty was given to you?—Certainly; I should not like to do so if I could avoid it; but if it were permitted, there would be this difficulty attending it, that others would do it, and it would therefore place us in an unpleasant situation.

1104. Do you not suppose that if a small Country Banker was to issue 1*l.* notes, and a large Bank like yours was to refuse to issue them, that those 1*l.* notes issued by the small Bank would be very soon returned?—Yes; but we should be very much annoyed by it, notwithstanding.

1105. Do you not consider that the stability of a Country Bank depends essentially upon the public confidence and credit placed in the partners, and in the manner of conducting the business?—Certainly.

1106. Would not the publication of the particulars of the assets and the demands upon a Country Bank, in detail, necessarily affect their confidence and credit, for the reasons you have stated already?—I should think it would; but very much would depend what the assets and demands were at the time.

1107. Are you of opinion that joint stock companies, with limited liability and a paid up capital, ought to submit to publicity?—To such publicity as the party granting the charter should require, not publicly in a newspaper.

1108. Do you conceive that a Country Bank, which is not a joint stock company, or claiming any particular privilege or charter, should be called upon to make the same publicity as a privileged or chartered company?—Certainly not; if I ask for privileges, I must pay the price of them.

1109. Is it not a privilege to issue paper money at all?—I do not see that it is more a privilege than drawing a bill of exchange, there is a little difference, but not much.

1110. What do you consider to be the expense you are at in your issue of notes?—From one to two per cent per annum, I should think.

1111. That is to say, that upon an issue of 100*l.* out, it costs you upon the average 1½ per cent per annum?—I should think so.

1112. Can you state the details of the calculation to the Committee?—I have taken the price of paper and the printing, the price of stamps, the sum that I keep in my coffers, and the sum that I keep in London at my London bankers; those

those are the four chief things. As to risk, I destroy the notes when they are paid in London, because I will not have the risk of bringing them down.

1113. Have you any objection to state the proportion of assets which you consider as necessary to keep to the issues?—No; I before stated that I consider it a principle that every Country Banker should be enabled to provide for his circulation as soon as he can. The deposit of bank notes and coin in my house, necessary to keep at the different establishments, vary according to circumstances; from an experience of forty years, I should say that in ordinary times a reserve of 2*l.* in 20*l.* is amply sufficient; if periods of clamour arise, I must naturally increase the reserve; lately we have found it necessary to do so; and if the Banking question is not speedily settled, I think it likely we shall all be obliged to increase our reserves, as nothing is more destructive than the continual discussions on these subjects.

1114. Have not you found greater security in that respect, since the Branch Banks have been established near you, and that you have had the power of going to them when you wanted assistance?—Certainly; we find that we can more easily obtain it, because, if I want sovereigns, I know I can have them at the Branch Bank at Bristol, instead of sending to London.

1115. Has not that convenience rather led you to do with less gold than you otherwise would in your lock-up?—Certainly.

1116. You have stated the advantages you have obtained by the Branch Bank, and the disadvantages you are liable to from the Branch Bank; balancing the one against the other, supposing you could by your own will either keep them or get rid of them, which should you prefer?—I think upon the whole, individually, I should be glad to get rid of them; but still I think it is very possible they may be useful; and I have understood from a high authority at the Bank, that they are not desirous of having private accounts kept with them.

1117. What is the power that you would wish to deprive the Branch Bank of?—Of taking money in upon account; if they would only take discount accounts, my objection would in a great measure be done away.

1118. Then what you complain of, is the competition of the Branch Banks with you as banks of deposit, and you do not object to them as banks of issue?—I do not want them to interfere with my issue in the country, if I can help it, nor do I think such an interference necessary for the public good.

1119. What would the Branch Banks have to do in the country, suppose you deprive them both of issues and deposits?—Discounting, which I apprehend is their chief business.

1120. In what sort of notes would they issue in return for the bills that they discounted?—Their own notes, which must obtain a certain circulation.

1121. Would they not then be banks of issue?—I have not said that they are not to be banks of issue; where there are Branch Banks in large places, I know that they must issue paper.

1122. Then your objection to them is not as banks of issue, but as banks of deposit?—If I am asked as an individual, I think they do me upon the whole rather an injury; at the same time I have found great convenience from them, in buying in money in the country and transferring it in London.

1123. Do you consider that they do you an injury in the circulation of your notes?—I think they do, to a certain extent.

1124. In cases of danger, what is the value of the Bank of England note to you?—We pay it away for our own notes brought in.

1125. Do not you undertake to pay your notes in gold in London and in the country also?—Yes, this is the law, but in nine cases out of ten the Public are satisfied with a Bank note.

1126. Do you find that in case of a run, the Public are satisfied by your paying them a Bank of England note in exchange for your own note?—In a great majority of cases they are perfectly satisfied.

1127. Viewing the advantages and the disadvantages of the Branch Bank system, would you rather that they did not exist?—As an individual Banker, I must say that I do, because I consider that they have taken away a portion of my business.

1128. Is that from the injury they actually do you, or from an apprehension that they will grow upon you?—Both.

1129. You think that there is a tendency in the Branch Banks to defeat the action of private Banks?—Yes; the Branch Banks of England receive many dividends that used to be received by Country Bankers.

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1130. Is it the fact that you are obliged to charge less to your customers for doing the business now, than you did before the Branch Bank was established?—We are obliged to charge less in some respects.

1131. Then what you have lost in profit, the Public have gained?—The Public gain by competition in the first instance; but if banks have not a fair remunerating profit, it cannot answer on the long run.

1132. Has not that loss to you diminished in some degree your ability to afford accommodation to your neighbours?—The Branch Banks certainly take some good accounts from us; a Bank failed in Launceston last summer, they got the assignee account, which no doubt we should have had if they had not been there. Their tendency is to put the savings of the country into other channels. In our banks a good many of the loans depend on personal knowledge and peculiar circumstances, such as the steadiness and honesty of the party. If our deposits go to the Branch Bank, we cannot give this accommodation; and the Branch Bank, acting on general rules and written documents, cannot give it; such parties must therefore suffer, to the injury of the industry of the country.

1133. Before the establishment of the Branch Banks, what steps did you take to guard against a run upon you arising from panic?—Exactly the same that I have taken since; I endeavoured to have my assets tangible in London, so that I could immediately convert them into cash.

1134. In that case it would have been necessary for you to apply to the Bank of England for gold, and to have that gold sent to you from London?—Exactly so; and this was done to a great extent before by banks.

1135. But in the present instance, by keeping a number of the notes of the Branch Bank, you can procure that gold directly from the Branch Bank?—Yes, that is one of the advantages I have stated; the Branch Bank takes the expense and risk of sending down gold, and of keeping up a supply in the country, instead of ourselves.

1136. Independently of your assets in London, you keep a certain deposit in the country for the purpose of meeting the casual demands upon you, and the possible demand in case of a panic; does that deposit consist of Bank of England notes and gold?—Yes.

1137. Branch Bank notes?—In general, Branch Bank notes, or money in the Branch Bank, because gold can be immediately got at the Branch.

1138. What are the modes by which you can get gold from the Bank of England; is there any other mode, except the presentation of a note?—No other.

1139. Suppose you keep an account with the Bank?—Then we give a cheque on them, which, if we have the money there, they will pay in gold.

1140. Would not the Branch Bank at Bristol discount for you a bill of 1,000*l.* or 2,000*l.*?—Yes, certainly; but I think it is seldom to the interest of a Country Banker to discount at all, either with the Bank of England or his London Banker; in most cases he can procure money on much better terms on stock or exchequer bills.

1141. Cannot you get money from the Branch Bank by a bill at sight?—In general we keep money on account with them, so that we can draw for it at once.

1142. Is it not perfectly incompatible with your duty, as a Country Banker, to re-discount bills which may be in your possession?—Certainly it is; we seldom re-discount a bill from our house after having ourselves discounted it.

1143. Supposing that upon any occasion you should require a great quantity of gold, say 5,000*l.* and you were to take bills of exchange to the amount of 5,000*l.* to the Branch Bank, would not the Branch Bank give you 5,000 sovereigns for those bills of exchange?—I should think they would, but they would not like it as a general practice.

1144. You were understood to state, that the actual deposit of bullion that you keep in reserve is, in proportion to the amount of your circulation outstanding, very small?—I have said that in ordinary times it is two in twenty, and increased from circumstances up to four or five in twenty.

1145. In case of a panic or discredit arising from political apprehensions, you rely upon the Bank of England to provide you with that additional supply of gold which may be necessary in order to meet an extraordinary drain?—Certainly; but I must first have the money at the Bank, or stock to sell, or some means of getting Bank notes; my customers give their money to me, and look to me for it; I do the same to the Bank.

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1146. Have you any other mode of extracting that gold from the Bank of England except by the presentation of Bank of England notes issued by the Bank?—No, if I sell Government securities, I obtain for them Bank of England notes, and if paid into the Bank, those notes would then be carried to my account. If the whole circulation of England had been nothing but Bank of England notes during the last two months they would have paid much more gold than they have now, in my judgment, as the late general feeling was more against the Bank of England than against Country Banks, or rather, I should say, in favour of having gold with a view to serve a particular purpose, as against the Bank and Government.

1147. Supposing every cash note you have issued had been issued by you as the agent to the Bank of England, and therefore had been a Bank of England note instead of your own note, do you think that the Bank of England would have contracted any less degree of responsibility than it did under the circumstance of your having issued your own notes?—I think they would have been more responsible.

1148. You think that in case of a panic arising from political circumstances, there would have been less confidence in Bank of England paper than in the paper of some Country Banks?—I do, that was illustrated three weeks ago, to my knowledge, in many instances.

1149. Are you of opinion that that would have been the case in cases of commercial panic, as distinguished from cases of political panic?—I should think not; but supposing that the whole kingdom was Bank of England circulation only, it would frequently be attended, according to my judgment, with more demand upon the Bank of England than it is now; because the Country Bankers, standing in the situation they do, their notes are kept where those of the Bank of England would not be; having property and character, they are known in the neighbourhood.

1150. Would not that arise only in cases of political discredit?—No, sometimes also in commercial; I believe that if the Branch Banks had existed at the time of the Panic, many of them must have stopped, because, when the people got their paper, they would have gone immediately and demanded sovereigns for it.

1151. Do you think that the Bank of England paper is more liable to discredit than Country Bank paper?—No, on the contrary; but I mean that under certain circumstances that Country Bank paper of individuals of known credit and property has been kept in the coffers of farmers and persons of that description, where Bank of England paper would not have been kept.

1152. In periods of commercial discredit, cannot that discredit only arise from the want of confidence in the paper out?—That is generally the effect of commercial discredit; but in the interior of the country we know but little of commercial discredit, our great circulation is amongst agriculturists and people of that description and often men of no education.

1153. Is it not the fact that cash notes, whether Bank of England notes or country notes, would only be required to be paid in coin, because discredit attached to them?—Generally speaking; but there is often an undefined feeling of alarm, one demands gold because another does.

1154. Do you think, then, that not only in periods of political excitement, but also at periods of commercial discredit, Bank of England paper would be more likely to be sent in in exchange for gold than Country Bank paper would?—In some parts of the kingdom I think it would; I think it would be more dangerous to the Bank of England itself to have their paper circulated with Country Bank paper, than it would be if it was all their own. I am disposed to think when there is an excess of paper in the country, it would come in on a slight alarm, by whomsoever issued.

1155. Are you not of opinion that when a Country Banker has an estate of from 6 to 10,000 *l.* a year in land, the farmers in the neighbourhood and the persons who know that fact, would prefer the paper of his Bank to all the Bank notes in the world?—No doubt they would.

1156. Can you state what is the amount of loss sustained by your banking establishments within any given number of years, by forgeries upon your own paper?—We have never lost 100 *l.* by forgeries since we have been bankers, and we have been bankers upwards of sixty years.

1157. Do you recollect the circumstances under which that loss was sustained?—Yes, it cost us that sum in the prosecution; our notes were forged, but it was discovered the moment they were about to be issued in the town of Bridgewater.

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1158. Since that discovery, have you taken any precaution to guard against it?—Yes. This is one of our notes [*producing a note.*]

1159. Since you have adopted those precautions, have you had any forgeries?—None.

1160. Do you feel perfectly secure against any loss from forgery?—Yes, as far as such a subject will admit of security.

1161. Must not the same circumstances that give you confidence against loss, give confidence to the Public also that possess those notes?—Certainly; I have often heard farmers that brought Bank of England notes to our counter say, for any thing they know they may be forged, but they know our notes.

1162. Supposing a mischievous report was circulated in the country, that there were a great many forged Bank of England notes in circulation, and that that was circulated at a time when there was a tendency to panic; do not you think it would produce a much more prejudicial effect in shaking the public confidence, if the whole circulation consisted of Bank of England notes, than if it consisted, as it now does, partly of Bank of England notes and partly of Country notes?—Decidedly.

1163. How many years ago did you experience the loss you mentioned from forgery?—About fifteen years ago.

1164. Throughout the country of which you have a knowledge, is there a perfect confidence in the genuineness of your notes?—Yes.

1165. Have you lost any thing by forgeries of Bank of England notes?—Not much, particularly since 1*l.* and 2*l.* notes were discontinued; but we have refused a few 5*l.* forged Bank of England notes; about twelve months since I wrote to the Bank, because there was a nest of forgers about Bristol, and by exerting ourselves with other Bankers, we put down the whole party in a short time.

1166. When you say that you have sustained no loss from forgeries of your notes, do you mean that no forged notes have been presented to you for payment?—None.

1167. Have you reason to think that the Public have lost any thing by forgeries of your notes?—They never did; we should have heard of that directly.

1168. Do you think that a circulation that should rest upon the security of separate Banks scattered over the country, would be less liable to universal distrust, than a circulation issued by a great body, however responsible?—I do think so.

1169. What proportion of your profits as a banker depends upon the issue of your notes?—I can hardly state the proportion; but if we have 150,000*l.* in circulation now, we must naturally expect a handsome profit from such a circulation.

1170. Can you state the proportion which your circulation bears to your deposit?—The deposit account, bearing interest, is about 50,000*l.*; that is about one-third of the circulation; the deposit upon the drawing account varies every day, and no banker can well state it; I can only state the average.

1171. Upon the whole, do you suppose that the amount of your drawing and deposit account is about equal to the amount in circulation?—Yes; I think a Banker in credit has generally as much upon his drawing and deposit accounts as he has upon his circulation.

1172. You have stated, that you were enabled to afford great convenience to persons paying or receiving their rent, and generally to be of great advantage to your neighbourhood, by affording accommodation; do you consider that you are enabled to do that mainly through the issue of notes?—By the issue of notes, by money on account, and by our general business.

1173. Do you consider that the affording that accommodation is dependent entirely upon your issuing notes?—Not entirely, for the reasons before stated.

1174. Could not you afford that accommodation, in proportion to the deposit and drawing account that you had, if you issued no notes at all?—Of course we should be able to give some accommodation, but not so much as we do, if we had not a note in circulation, from our capital and from dealing on account; but I think that the respectability of a Country Banker a good deal depends upon his circulation, most certainly it does in the West of England; and that if we had no circulation, we should have less money on account, because we should be only acting as agents of the Bank of England; and I believe that if we did not circulate our own notes, very much of the money deposited at interest with us would be withdrawn.

1175. Do you think, then, that the estimation in which a Banker is held rises in proportion to the liabilities he is known to be under?—No; but I think it arises in

in a great measure from the general extent of his business, and having circulated notes that have been regularly paid for a long period. The circulation of notes payable in London makes a Bank known in all parts of the kingdom.

1176. Do not you think that a Banker that issued no notes, and who consequently was under no liabilities for notes issued, and merely discounted upon capital placed in his hands, would enjoy equal credit, or even greater than a Banker who, in addition to those liabilities, had also the liabilities of circulation?—Not in an agricultural county, because I am sure that a great part of the credit of our Bank has arisen from having had a circulation which has been regularly paid for the last half century, and therefore the farmers are in the habit of taking our notes and locking them up, and coming to the Bank to transact their other business.

1177. Then you conceive that the circumstance of your credit having been so good for 50 years, gives you an advantage over any new establishment; but you do not conceive that a new Bank starting, for instance, and issuing notes as well as lending upon its deposits, would enjoy a greater credit on account of its issuing notes?—Perhaps not. A new Bank, that issued notes, would be some time before they would come into credit.

1178. You said that the profits arising from your general Banking establishment may be divided into two classes, the profits arising from it as a Bank of deposit and of drawing, and the profit arising from it as a Bank of circulation; what do you consider to be about the proportion of the profits of each class?—I should think the proportion of the circulation is equal to at least one-third of the profits altogether.

1179. Should you have any objection to state what you consider your profit per cent, upon the circulation?—I have no objection, if I knew exactly how to do it; it is probably between two and three per cent.

1180. Is not the proportion of circulation which you have in your Bank, to the deposit and drawing account, rather a large one, judging from your knowledge of the transactions of other Banks?—Perhaps it may be, but every county has a different mode of business; the county of Somerset has always been accustomed to Country Bank circulation, (perhaps in some measure from our house having existed so long) and therefore they like a Country Bank circulation; some counties in the North have no such circulation; we never circulate in the county of Somerset a bill of exchange, as they do in the North.

1181. Do you know whether those Banks which do not circulate to the same extent in proportion to their deposit and drawing accounts, do or do not afford accommodation to the neighbourhood in which they are?—As far as my knowledge has gone, there are very few of those sort of Banks in the Agricultural districts. I do not think that those Banks who do not issue their own paper, in general, afford that accommodation to an Agricultural district that Banks do who issue their own notes.

1182. Do you think that Banks having a circulation, are able to afford greater facilities than Banks having no circulation of their own?—Most certainly.

1183. Is not it also the same in Manufacturing districts as well as in Agricultural, that the accommodation given by a Bank circulating its own paper, would be greater than the accommodation given by a Bank circulating the paper of another Bank?—I should think so.

1184. In what manner do you regulate the exchange of your notes for the notes of other Country Bankers?—We exchange with all the Banks in the same town every day, that is, we send in the notes and cheques, at Taunton for instance, most days, and we pay the difference in London once a week; in Bristol we send in cheques and notes every day, and pay the balance in London every other day.

1185. According to the system in which the Branch Banks of the Bank of England are now conducted, do you believe that they can afford the same accommodation and assistance to the country that is given by Banks constituted such as yours is?—The Branch Banks, in my opinion, are not calculated to do business in the interior of the country, they may do it in large places; they do not lend money upon a deposit of deeds or any thing of that sort, and of course they have not the local knowledge which resident gentlemen have.

1186. You have given it as your opinion that the Panic of 1825 arose mainly from an over issue of the Bank of England paper, are you aware of the average amount of Bank paper in the years 1823, 1824, and 1825?—I have not the amount at present before me, but as far as my recollection goes I think that in 1823 and

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1824 it was more than it was in 1825; I think that the Bank began to contract in 1825, but, as a matter of opinion, and looking at the Exchanges, I do not think they began to contract early enough in 1825.

1187. By an Account before Parliament, it appears that the average, upon the 6th of April in each year, was as follows: in 1823 it was 20,603,548*l.* 14*s.* 10½*d.* In 1824 it was 18,984,499*l.* being a reduction from 1823 of two millions; and that in 1825 it was 19,092,005*l.* being an increase of only 120,000*l.* Could that small variation in those years, of the circulation of the Bank of England notes, have produced the effect of the panic?—I think the Bank of England did not govern their issues enough by the course of the Exchanges in 1823 and 1824; and although the paper may have been less in 1824 than it was in 1823, you must also take into account the quantity of specie in circulation at those periods; I know of no way of regulating the circulation so well as by looking at the Exchanges.

1188. Does your calculation lead you to conclude that it is only by an unfavourable Exchange that the Bank of England can be called upon to issue specie for export for foreign purposes?—I should think that, for foreign purposes, it can only be called upon for any large quantity by the state of the Exchanges and the price of the precious metals; if you keep the precious metals at the Mint price, and if you keep the Exchanges in favour of the country, I do not think the Bank of England could be called upon for any great quantity of specie.

1189. Suppose any great transaction to occur, such as the necessity of remitting for a foreign loan, and that that necessity called upon the Bank for large issues to supply the demand for such purpose without any consideration whatever with regard to the Exchange, ordinary transactions not being able to supply such demand by bills of exchange?—In such a case as that, the Bank must be the best judge of their own power; I can only lay it down as a principle, that it appears to me the Bank ought to govern these or any other issues, in a great measure, by the course of Exchanges, and by the price of the precious metals; but whether at any given time they would think proper to export a large quantity of bullion for any purpose, I cannot answer.

1190. Would any diminution of their issues at the time be sufficient to prevent that demand being made upon them?—I should think so; it would take away all profit from the export of gold, and other commodities would then be sent. It appears to me a principle of circulation, that if it is redundant, the Exchanges would be against this country, and if it is lessened, the Exchanges will become favourable. You must have some principle for keeping circulation at par; and, from the best consideration I have given it, I know no better criterion than the two I have mentioned.

1191. At what distance of time will operations be produced upon the course of Exchanges by a reduction of the issue of the Bank?—I should think very speedily.

1192. Will you state how it operates upon the Exchanges?—That has been much more ably stated by writers than I can do; Mr. Ricardo, and others, have written on it; they have laid it down as a principle, that if a depreciation of paper takes place, it immediately shows that the circulation is too abundant, and if a sufficient portion of that paper is taken away, it will bring the Exchange to par, and the precious metals also.

1193. You recollect the Panic in 1825; what quantity of specie were you obliged to bring down, to meet the run upon you upon that occasion?—Very little specie; I took down as much as 100,000*l.* in Bank of England notes, and not above three thousand in specie, and in a few days I sent back four thousand sovereigns, because it was found that Bank of England notes answered all our purpose.

1194. What proportion did that bear to your usual stock of specie and Bank of England paper?—I took down enough to pay three-fourths of the whole circulation.

1195. In that case, supposing the Bank of England had guided itself by the rule that you recommend, of looking to the foreign Exchange, and had not issued its paper, would it not have made your distress infinitely greater?—Certainly; my opinion was, that the crisis at that time was brought on by excessive issues, but when the Panic came, Country Bank paper was brought in for Bank of England, and therefore all that was immediately wanted was an exchange of paper. I stated, in a letter I wrote upon the subject to the Bank, upon the 14th of December 1825, that they would not have to increase the sum total of circulation, but that all they would have

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have to do was to exchange A for B; and in my letter I recommended them to issue a million a day, which they did, for, otherwise, most of the Banks in London as well as the country must have stopped.

1196. At that time was not it absolutely necessary for the safety of the country, that the Bank of England should make its issues without reference to the standard of the foreign Exchanges?—The standard was got nearly right; but certainly their issues at that time were absolutely necessary, and the result shows they were right.

1197. Do not you consider that if the Bank of England note were made a legal tender by a Country Banker, that then the Bank might issue with safety its paper, and that state of things which existed in the year 1825 might be avoided?—Some of the pressure and inconvenience might, undoubtedly; and that is my reason for proposing that the Bank should sometimes pay in uncoined gold.

1198. You have stated that the Bank, by making these issues, would have acted contrary to your principle of regulating themselves by the Exchanges; are you not aware that upon the 13th of December the Exchanges were in favour of this country?—I am aware of it, and have stated it so before; and in my letter to the Bank, of 14th December, I stated it as my opinion that they may safely issue.

1199. How, then, did they act contrary to that principle?—I do not think they did; and in that particular case they acted very properly, in my judgment.

1200. But if the Exchanges had been otherwise, in that emergency would they have done right to refuse you assistance?—When people want gold at a period of alarm, or Bank notes in lieu of Country Bank notes, they must be supplied, or all Banks must fail. It might have been right to do what I recommended to Ministers at the time, viz. to pay in uncoined bullion.

1201. Supposing the Bank were issuing some millions of its notes, at a time when its amount of bullion was running very low indeed, would they not have been issuing contrary to the principles you have been speaking of, as the principles which should govern the ordinary state of issue?—In ordinary times, undoubtedly; but on extraordinary occasions, and particularly in cases of panic, the principles cannot be acted on. If the rules are attended to in the first instance, the Panic does not occur; after it has occurred, new principles come into action.

1202. The law as it at present stands permits, beyond the distance of 65 miles from London, the establishment of Banking Companies, with an unlimited number of partners; and it permits the Bank of England to establish Branch Banks, to enter into competition with Country Banks, or to supply the place of Country Banks where they do not exist; it limits the issue of notes to a sum amounting to or above 5*l.* and thus insures a general circulation of gold throughout the whole country; do you think it would be for the public advantage that there should be any alteration of the existing law in any of those particulars?—I think the distance may be safely brought nearer London than 65 miles, but I think it would be very unsafe to bring it into London; I think no other Bank of circulation should be allowed in London than the Bank of England.

1203. Would you advise an alteration with respect to a limited responsibility of partners?—I have before stated what I think, that in order to make the system of Country Banking perfect, particularly after what has passed on the subject of late years, if the Government had the power of granting a charter with limited responsibility, say a party should be answerable for 6 or 8,000*l.* that had advanced 2,000*l.* the Government should act upon it, according to circumstances. They could make their own regulations. I know many gentlemen do not like to join in a Country Bank, because the responsibility is not limited. I have heard it frequently said, “I do not like to risk 100,000*l.* of property to take 5,000*l.* in a Bank; but if you had a limited responsibility, as before described, I should join it at once.”

1204. If the Public were aware that each individual was not responsible to the whole amount of his property, would it not be necessary to give the Public some security, by means of the publication of the assets of the Bank, and their means of meeting their liabilities?—I have stated, that the Government, granting a Charter, should require an account of their assets to be sent to them every year, at least.

1205. Supposing there was a limited responsibility, and a person with a very large landed estate were only responsible to twice or three times the amount of his share; do you conceive it possible that any sum vested in Government securities would give that confidence to the Public which they at present have?—I think so;

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it is desirable to have many respectable persons in a Bank ; their characters are a guarantee as much as their property.

1206. Supposing the sum was vested in stock, and that in a time of panic the stock fell very greatly?—The same observation applies to land, and in some degree to the capital of the Bank of England ; that would depend upon the nature of the contract with Government. I should say that a Country Bank having a charter, should lend the money to Government at a certain interest, and to have it repaid at par ; and perhaps some regulation could be adopted, by which the Bank could get the capital in case of alarm, and when they had paid a certain portion of the demands upon them.

1207. Is it your opinion that a great fluctuation in the amount of circulating medium is a great evil in a country?—Certainly.

1208. You have stated, that in your opinion the Panic of 1825 was caused by an over issue of the Bank of England?—I think so, and that necessarily the Country Bankers partook of that excess.

1209. Have the Public any security that this mismanagement on the part of the Bank of England may not occur again?—Yes, I think so ; they have the experience of the past ; then the subject is much better understood than it was ; but still in very extraordinary times it may be necessary to permit them to pay in uncoined gold ; in that case I think the Government should have a daily account from the Bank of England, a balance sheet, so as to keep the thing quite in check, and an understanding that coin should again be paid without delay. Had payments in uncoined gold been adopted in 1797, depreciation would never have taken place to the extent it did.

1210. Were not the Bank of England obliged to pay in gold previous to 1824 and 1825?—Yes, they were.

1211. Why should that check operate more upon the Bank of England now than it did at that time?—Because I think that before that time they did not sufficiently look to the Course of Exchanges. It happened to me to go to France in July 1825, and I went in a packet that took nearly a million of sovereigns.

1212. What security is there that they will look more to the Exchanges now than they did then?—By the system of management they have now adopted, they have kept it equal since 1825.

1213. What security have you that that system of management will continue?—I do not know any security so good as their own safety.

1214. Do you think that the competition of Banks of issue in London would have a tendency to give such security?—I do not think it would, but the reverse. I think that lately, if four Banks of issue had existed in London, the Bank could not have issued that very proper notice which they did in the midst of the alarm, of offering to lend upon Government Securities ; I think that was a very proper notice, and did great good. But with regard to Banks of issue in London, where the Foreign Exchanges, &c. are regulated, it would be dangerous.

1215. You have stated, that the Bank should give a daily account to Government, and that the Government should exercise a check upon the management of the Bank ; how would the Government be enabled better to judge of the conduct that the Bank ought to pursue, than the Bank themselves, whose daily practice it is to consider these subjects?—Not at all ; I am not for the Government doing it but on extraordinary occasions, such as when the Bank have the peculiar privilege of paying in uncoined gold ; at such a period as that, all parties should be very vigilant, and return as soon as possible to the old system.

1216. What security has the Public against the Bank of England placing themselves under the necessity of calling upon the Government to give them the advantage of paying in uncoined gold?—They have no security but a regard to their own credit.

1217. Then the Public have no security for the good management of the affairs of the Bank?—Nor have they for almost any thing ; I am not aware of any business in which they have such a security. I am one of those who think that proper principles are now acted upon by the Bank of England, and that they will very seldom, if ever, get into any difficulty, unless it be at a period of political or popular commotion, which would be most likely brought on by no fault of theirs.

1218. You are of opinion, then, that chartered Banks, with a limited responsibility of partners and a paid up capital, would establish a sound system of banking?—I think it would have that effect in the course of years ; but I should hope, and rather

rather expect that we shall get into a sound system even without it; but looking to recent events, it might hasten that desirable event.

1219. Do you imagine that there would not be a sufficient number of Banks if the limited liability was not admitted?—I should hope there would; but the limited liability would hasten the period, in my judgment.

1220. Would it increase the stability of banking?—Yes, I think it would; it would very much increase the number of respectable persons taking an interest therein, and thus improve their management as well as their credit; the personal exertions of such individuals have great effect in time of alarm and discredit.

1221. Are you acquainted with the result of the banking system in America, of the chartered Banks, and limited responsibility, and paid up capital?—Yes.

1222. Has that been a successful system?—No; because it has been a great deal over done, and the regulations adopted by no means proper; in many cases also even these have been evaded.

1223. Have they not also the protection of publishing their affairs?—I think they have always had a very bad system of banking, and they have suffered accordingly.

1224. Has it not been stated as an objection to the Bank of England, the power that it possessed of lending money to Government when it has been called upon so to do?—It has been so stated.

1225. Would not the same objection exist against Joint Stock Companies upon limited responsibility being established by advancing 100,000*l.* or 200,000*l.* as a loan to Government when they wanted it?—No, I should not think it would. The objection to the Bank of England advancing to the Government is, where the Government is pressed for money, and the Bank has it not properly to lend; there is no objection to their advances on the revenue about to come in; dead and long advances are to be avoided.

1226. Do not you think there is great public inconvenience in any alterations of the law relating to banking, without some strong necessity?—Yes, and it is of the greatest consequence to have this question settled without much loss of time; it has been kept open many years already; I do earnestly hope that it may be settled without further delay.

1227. Supposing the mind of the Committee were made up upon certain great leading principles, do not you think it would be of great importance that they should declare their opinion upon those principles, and leave the consideration of the details till afterwards?—It would certainly be still better if it could be settled by Act of Parliament at once; the great principles are now generally understood and admitted, so that nothing is so bad for banking, both in London and the country, as to have these continual discussions; no one can say what ill consequence may ensue if it is not settled this Session of Parliament.

1228. You stated that you considered it advisable always to have either in immediate convertible securities of some kind or other, or in cash or Bank of England notes, enough to discharge the circulation you have out; and you stated besides, that you afforded great accommodation to farmers at particular times of the year, and to other persons in your neighbourhood; is not that accommodation provided out of your deposit and drawing account, and not out of the money received for your circulation?—I have stated that we take in money at three per cent; and I think that what is so taken in may be safely lent to farmers and others, as we cannot be called upon for that money till after a certain notice is given.

1229. And therefore that accommodation is afforded from your deposits, and not from your circulation?—Certainly; you should always be provided to exchange your circulation.

1230. Is it not afforded from the general mass of your disposable funds, without reference to what they arise from?—It depends very much on the nature of the loan. I try to keep loans that cannot be got in at once within the limit of money deposited with me on the same terms; but this cannot always be done.

1231. It is from agriculturists that you get a security which is not immediately convertible, is it not?—Undoubtedly.

1232. Therefore having stated that you think it right to hold nothing but immediately convertible securities as against your circulation, those advances cannot be made upon your circulation?—I have stated that I take in money at interest, for which I pay two or three per cent, and I cannot be called upon for that

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that immediately, as notice must be given for it; and then I think I am safe in lending to that amount in securities which are not immediately available.

1233. Although you have a large amount of available assets for the purpose of your circulation, if you were deprived of that, should you not equally be obliged to have considerable available assets to meet your drawing accounts and your deposits?—Certainly; but I see no good reason, on any principle of banking, for being deprived of the circulation; and at a late meeting of Country Bankers the following resolution was unanimously adopted: "That it appears to this Committee highly inexpedient that the circulation of the country should be confined solely to the Bank of England, and that they will exert themselves to prevent a measure so highly detrimental to the agricultural, commercial, and manufacturing interests."

Veneris, 15^o die Junii, 1832.

THE RIGHT HON. LORD VISCOUNT ALTHORP, IN THE CHAIR.

William Beckett, Esq. called in; and Examined.

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1234. WHERE are you a banker?—At Leeds in Yorkshire.

1235. Have you a number of partners under the provisions of the late Act?—No.

1236. Do you issue notes?—Yes.

1237. In what manner do you bring your notes into circulation?—By paying them to our customers, viz. merchants and others, who keep accounts with us; we pay them for wages, and under a variety of circumstances in which they may be wanted.

1238. What are the different modes in which the issue of your notes takes place?—By the payment of checks drawn upon us; cash checks being sent in for payment, we give our notes out for them; our customers draw upon us.

1239. Do you discount bills?—Very little across the counter.

1240. Do you lend money to your customers?—Yes.

1241. When you say you discount bills very little, you mean except for your usual connections?—Exactly so.

1242. You do not mean, that upon the whole you discount very little?—No.

1243. Do you advance money upon loan?—Yes.

1244. Upon what securities?—A variety of securities both real and personal, also upon deposits of deeds, and upon the character and credit of parties who come to borrow.

1245. What are the class of persons to whom you generally advance money?—Merchants and manufacturers.

1246. Do you advance money for long periods, or for short periods?—We advance money to manufacturing firms, who keep accounts with us, and consequently they are very often for a long time owing us money, which varies in amount.

1247. Do you allow interest upon deposits?—Yes, we do; two per cent on demand.

1248. On all deposits?—Not on all, we only allow interest upon those that remain in our hands six months; deposits for a shorter period we do not allow any interest upon.

1249. Do you require any notice after that period?—No.

1250. When you say that you allow interest on those deposits that remain six months, is that when it is a condition by the party that they shall remain six months, or do you allow interest on money which has remained six months without any such condition?—The condition of our taking that money is, that no interest shall be allowed unless the money remains with us six months.

1251. Is that confined to any particular time?—No.

1252. If it remains seven months, do you allow the interest for the extra month?—Yes, we do.

1253. Do you require any notice after the expiration of the first six months?—No.

1254. You consider it payable on demand?—Always.

1255. Your notes are not payable in London?—No, only locally.

1256. If

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1256. If money has remained in your Bank, without any condition previously made, for 12 months, do you allow any interest upon it then?—It is generally understood that if money is left with us without any thing being said, we allow the usual interest of two per cent; it is quite understood that if a person brings money, and it remains there, he is entitled to interest.

1257. Then this money on which you allow interest, after it has remained six months, is liable to be drawn from you on demand?—At any time.

1258. Supposing there is a running account, that a person deposits 1,000*l.* and draws 100*l.* in the course of a month, and then deposits 50*l.*; in what manner do you regulate the payment of the interest?—We make up our accounts every six months, and if there is interest due to the party at the expiration of the six months, upon the average of the account, such interest is placed to his credit.

1259. Do you charge him a commission?—We charge him a commission upon the current account.

1260. Then it would appear that all parties keeping an account with you, and having money in your hands for more than six months, receive interest upon the average amount of the balance?—They would.

1261. For how small a sum do you allow interest?—We do not limit the amount; we take a small sum to accommodate the middling class of people, who often bring small sums to us.

1262. Do you charge a commission upon a drawing account?—We do upon a regular current account; upon deposit accounts we do not charge any commission; but upon a mercantile account, viz. an account that oscillates backwards and forwards, we charge a commission of a quarter per cent.

1263. Do you charge that upon all bills you discount?—No; if we have no trouble in keeping an account, if we take a bill at the counter, we simply charge 4 per cent interest upon it.

1264. You stated, you allow interest upon the average amount of deposits in your hands; how do you take that average?—Taking the dates on the one hand in which the money is brought, and taking the date on the other in which it is drawn out, we then calculate both to a particular day, the 30th of June, for the one half year, and the 31st of December for the other half year, and allow interest at 2 per cent upon the balance.

1265. Supposing you are in advance to a customer, what do you charge him?—Four per cent.

1266. Does it often happen that you are in advance to customers of good character, upon personal security?—Frequently.

1267. Is there, then, any distinction between your system and the system of the Scotch Banks, except as to the amount of interest?—I am not sufficiently acquainted with the Scotch Banks to answer that.

1268. If any customer of yours should require any given sum, and you considered it a proper sum with reference to his standing and his rank as a manufacturer or a merchant, you would lend him that sum of money upon his promissory note?—Yes; it is not usual with us to take promissory notes; we lend it to him upon open account.

1269. Do you invariably charge a commission upon your drawing accounts?—Invariably.

1270. However small the sum?—However small.

1271. That is a deduction from the interest allowed?—Yes, it is.

1272. Do you mean to say that if a person kept an account at your Bank, and he always kept a deposit in your hands, that you would charge commission upon the account?—We charge a commission upon all drawing accounts, and we deduct it from the interest that would be due to him, but we do not charge interest upon a deposit account. We do not call it a deposit account if it is liable to variation. A deposit is a sum that is brought to us and taken away again in one sum; but if the account varies, we charge a commission for the trouble of keeping the entries in the books and calculating the account.

1273. What do you call a drawing account?—When an account is opened in the ledger, and money is placed to the credit of the parties at various times, and on the other hand placed to their debit, as they have occasion to draw it out in various other parts of the year.

1274. You mean, that upon all transactions in the account of a common customer at Leeds, you charge a commission?—Yes.

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1275. Upon both sides of the account, or only one?—No, only one, for money paid out.

1276. Is that a custom peculiar to your Bank, or is it the general custom of the country?—No, it is the general custom of the country.

1277. You allow interest upon the average amount of the running account in your hands, at each period of the half year?—Yes.

1278. And you deduct from the interest due to the customer upon the running account, a commission of 5s. per cent upon all monies drawn out during the half year?—Yes.

1279. If the balance of a week's account was 1,000*l.*, but the number of drafts drawn in the course of the week amounted to 6,000*l.* the 5s. per cent would be charged upon the 6,000*l.* that is upon the whole amount of drafts in the week?—Yes.

1280. You always charge the commission upon the debit side of the account?—Yes.

1281. If the commission exceed the interest, how do you charge it?—It is made a charge in the account.

1282. Can you state what proportion your circulation bears commonly to your deposits, including both the deposits on the drawing account and those on lodgement?—It is not one-fourth. It is necessary to state, that our circulation has only been a subordinate part of our business, merely to supply wages and the wants of our customers that come to us for ordinary expenses.

1283. Being a Bank of circulation and deposit, your business consists in the employment of those funds derived from circulation and of deposit?—Yes.

1284. You employ a part of those funds in discounts and advances to your connections at Leeds, and another part you keep in Government and other available securities in London?—Yes.

1285. Supposing your circulation and deposit to undergo a contraction at any time, you would supply the funds to meet that contraction by a diminution of your Government and other available securities?—Certainly.

1286. You consider those as the resource by which to meet any drain upon your circulation and your deposits?—Yes.

1287. Do you mean to say that you have two classes of deposits, one to be drawn out upon demand, and another upon which notice is required?—No, they are all payable on demand.

1288. How long has your Bank been established?—About 58 years.

1289. Has the trade of Leeds greatly increased since that time?—Yes.

1290. And with that increase have the operations of your Bank increased also?—Yes.

1291. Do you consider that the operations of your Bank, and the other Banks at Leeds, have materially contributed to the growth of the trade of Leeds?—I should think considerably.

1292. Do you consider that they have not merely afforded the accommodation of exchange of paper, but have, by giving accommodation, considerably extended the operations of the manufacturers and traders and merchants of Leeds?—Very much so.

1293. What do you consider to be the state, at the present time, of the manufacturers, traders and merchants of Leeds; is it prosperous?—I think the reverse.

1294. Have the traders generally at Leeds been trading to advantage and with prosperity for the last few years?—I think not, with few exceptions.

1295. Generally speaking, are they to be considered as less wealthy and less solvent than they were some years back?—I think they are not so wealthy.

1296. You have stated that your Banking-house and others have mainly contributed to the advantage and extension of the trade of Leeds; in your opinion, would it be possible to pay the working manufacturer his weekly wages without the assistance you and other Bankers afford?—I think it would be impossible.

1297. Do you attribute the power you have of affording accommodation to those traders, to the circumstance of your being a Bank of deposit and drawing, or to your issuing notes?—I do not attribute it to either one or the other particularly.

1298. Do you think that, supposing you abandon the issue of notes, it would not be in your power to afford to the trade about the same accommodation that you do at present?—We should be put to considerable inconvenience, but I think we should

should still be able to do it, as our accommodation does not depend mainly upon our issue of notes.

1299. Do you think the Bankers at Leeds, if they had not been issuers of notes generally, would have given the same extent of accommodation to the trade of Leeds as they have done?—I think not.

1300. Do you not at Leeds give to the manufacturers gold and silver as well as notes for the purpose of paying their wages?—A great proportion.

1301. Do you not think it utterly impossible that if, by any possible accident, all the Bankers of Leeds cease to pay, the manufacturers could get their bread at all, unless some neighbouring Banker came in to their assistance?—It would be impossible they could go on.

1302. Can you state what proportion you pay to the manufacturers for wages, in gold, and what proportion in notes?—Two-thirds or three quarters in gold, and the rest in our own notes.

1303. Did you issue one pound notes prior to 1826?—Yes, we did.

1304. Up to what period?—They were gradually withdrawn up to April 1829.

1305. You were obliged to withdraw them in consequence of the Act which passed in 1826?—Certainly.

1306. Can you state what proportion your notes under 5*l.* bore to your notes of 5*l.* and upwards, prior to 1826?—The 1*l.* notes exceeded those above that sum.

1307. Then more than one-half of your circulation consisted of 1*l.* notes, prior to 1826?—Yes, considerably more.

1308. Were you then in the habit of paying for wages in 1*l.* notes, what you are now paying in gold?—Yes; what we now pay in gold and 5*l.* notes.

1309. Do you now afford the same facility, and do you feel the same readiness to make advances under the present system of currency, namely paper and gold, that you did when you issued 1*l.* notes?—Quite so.

1310. Is the practice you observe with respect to the payment of interest on deposits, and the charge of commission upon drawing accounts, the general practice of other Banks in the North of England?—It is.

1311. Supposing a person deposits with you 1,000*l.* upon the 1st of January in a given year, and suppose that he draws five drafts for 100*l.* each on the third day of each of the first five months, the first draft being on the 3d of January, those five drafts amounting to 500*l.* and that he leaves the remaining 500*l.* in your hands till the end of the year; what would be the sum he would have to receive from you by way of interest, after deducting the charge for commission?—Interest is allowed upon each sum; interest would be allowed upon 900*l.* for one month, upon 800*l.* for two months, and so on till you get to the end; and then before you credit the interest, the commission of 5*s.* per cent would be deducted.

1312. You were understood to state before, that you do not allow interest upon any sum that you do not hold in your hands six months?—That is upon deposits, upon which we get no commission; the case last stated would be a drawing account, for what we call a Ledger account.

1313. You say the manufacturers of Leeds are less prosperous than they were sometime since; do you mean by that, the profit derived from the employment of capital in manufactures in Leeds is less than it used to be?—I believe it is.

1314. Has there not been a great change in the mode of conducting manufactories at Leeds; are there not many more small manufacturers in Leeds than there used to be?—It is lately, we think, changing; the making of cloth appears to be reverting to the villages and to a domestic manufacture, but that is very lately.

1315. Was not the manufacture formerly in the hands of large capitalists much more than it has been lately; is not there much more competition than there used to be?—A great deal.

1316. Must not that have a tendency to reduce profits?—Certainly.

1317. And therefore there may have been a reduction of profit, without it necessarily being an indication that the manufacturers are less prosperous than they used to be?—I think the capital employed in manufacturing is much worse paid than it was, the profits of it are much lower.

1318. Do not you attribute that in part to the great competition?—Whether it is that too much is made or too little demanded, I do not know, and I cannot give an opinion upon that.

1319. Are the manufacturers of Leeds generally going on in a state satisfactory to themselves?—I think not, generally speaking.

1320. You said the rate of profit was low; do you happen to know what the

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rate of wages is?—I think that persons who are in employment are pretty well paid, but the complaint is that a great number are not employed.

1321. Is that a great proportion?—It is increasing.

1322. Do you think that there is a growing poverty amongst the labourers at Leeds, or an increasing comfort and satisfaction?—There is a want of employment, and therefore I conceive a want of comfort.

1323. Do you attribute that either to the system of Banking, or the state of the circulating medium?—Not at all.

1324. You have stated already, that you as a Banker have not altered the facility with which you give accommodation?—Not at all.

1325. Is that the case with the other Bankers in Leeds?—I believe it is.

1326. Has there been a state of prosperity, or a state of comfortable industry, at Leeds since the period of the suppression of 1*l.* notes, or can you state from what period the uncomfortable situation which you represent now to exist commenced?—I think the one was not consequent upon the other.

1327. You think it is not connected with any change that has taken place in the system of Banking, or in the state of the circulation?—Not at all.

1328. When did its first symptoms appear?—I should say, for the last twelve or eighteen months it has been gradually getting worse.

1329. You are not in the habit of refusing your advances upon good security to any body in Leeds that comes to you?—No, I do not think we do.

1330. And you do not think there are many people of decent character, that have any claim to credit, who fail to obtain it?—I think none so circumstanced.

1331. What do you receive as a security, for that sort of credit?—It varies very much; we make advances to people upon personal security, or if we do not think that to be sufficient, then we require some other security, either collateral personal security, or sometimes the deposit of deeds.

1332. Is there any condition about the time of repayment?—Sometimes that is the case, when the loan is for a limited time, or it may be upon a current account, which may not close for any stated certain time.

1333. What is the nature of the current account you have mentioned?—The mercantile account is one.

1334. The amount of your circulation varies from time to time; do you ever force your paper into circulation?—We never pay it but when we are called upon for it for wages or personal expenses.

1335. Have you ever experienced any great increase of your circulation suddenly taking place from one year to another, such as a double amount of circulation in one year, as compared with the previous years?—Never.

1336. Nor ever any contraction to any thing like that extent?—Never.

1337. Do you think in the present state of Leeds, judging from your observation of it, there can be the same consumption of commodities amongst the population of Leeds, that you have been accustomed to witness in former times?—I should think not, because they are not earning the same quantity of wages that they used to do.

1338. You stated that the 1*l.* notes formed more than one-half of your circulation; has the suppression of the 1*l.* notes occasioned a diminution of your circulation equal to that proportion?—No.

1339. Have you any objection to state what the effect of the suppression has been as to the ratio of the decrease of your circulation?—I should think, taking 100*l.* as the basis, supposing the 1*l.* notes would be seventy, the fives would be consequently thirty; and now, I dare say there are perhaps seventy upon the whole; that is to say, the notes above the 1*l.* circulation are doubled.

1340. You think that your circulation is about 30 per cent less?—Yes.

1341. Since the issue of your larger notes has increased, have your deposits increased at the same time, and has your general business increased?—It has increased, but not, I think, at all as connected with the circulation of notes.

1342. Do you attribute the increased circulation of your large notes to the withdrawing of the smaller, or to the general increase of your business?—We did issue 1*l.* notes almost wholly, now we issue partly fives and partly gold, which occasions an increase of the fives.

1343. Do you ascribe the increase of the fives to the withdrawing of the ones?—Certainly.

1344. You say that you issued formerly 1*l.* notes wholly, do you mean to say that you did not issue 5*l.* notes also?—In a very small degree.

1345. Your

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1345. Your circulation being diminished thirty per cent, has your accommodation to the traders and merchants of Leeds been diminished in the same proportion?—It has not at all been affected by it.

1346. Has not a Bank of large transactions given up business since 1825, in your neighbourhood?—Yes, there was one upon that occasion closed.

1347. Might not that account for some increase in your operations in the circulation?—It might.

1348. Do you keep a larger deposit of gold since your withdrawing the 1 *l.* notes than you did before?—I think not.

1349. You have not increased your stock of gold in consequence of the withdrawing of the 1 *l.* notes?—Very little.

1350. What amount of 1 *l.* notes do you think was necessary for the circulation of Leeds?—I have no means of saying.

1351. Has not their place been supplied by gold?—Chiefly so; but with the addition of the 5 *l.* notes.

1352. Must not the inevitable consequence of the introduction of gold be a reduction of your issues?—Yes, except so far as the increase of 5 *l.* notes has supplied the paper circulated in 1 *l.* notes.

1353. Is it your opinion that the 30 per cent reduction which has taken place in your circulation is supplied by gold, in the circulation of Leeds?—I think it is.

1354. Has there been any increase in small bills of exchange?—They are very much decreased, from the stamps being so heavy upon them.

1355. If the amount of notes has decreased thirty per cent, must there not have been a corresponding diminution of the capital which those notes produced in the accommodation given to the trade of the place?—The notes bear so small a proportion to our general business, that it has not affected us in any way.

1356. Must not the accommodation you give arise from your own capital and the capital raised by the issue of your notes or your deposits?—Yes, from deposits chiefly.

1357. If your means of accommodation have been reduced, to whatever extent they may have been reduced by the withdrawing of the 1 *l.* notes, must there not have been, *pro tanto*, a diminution of the accommodation afforded by your Bank to the trade of the place?—No, I think not.

1358. In consequence of the withdrawing of the 1 *l.* notes, and the increase of the fives, have you altered at all the proportion of specie that you hold as a security for your circulation?—I think not.

1359. Do you hold about the same proportion that you formerly did?—I think we do.

1360. Have you any objection to state with respect to the Banks in Leeds generally, what proportion of specie and Bank of England notes you think it safe to hold as a security for your circulation?—I cannot possibly answer it with regard to other Banks, because I do not know it.

1361. Have you any objection to answer it in your own case?—No; I should think our specie is one-seventh of the whole, and putting them together, I should say our Bank of England notes and specie would pay more than one-half of the circulation at any period.

1362. You would not, it is presumed, find it necessary to hold that proportion of specie and Bank paper merely to answer your notes, if it were not to answer also the calls upon your drawing account and your deposits?—Certainly not.

1363. Can you state what proportion your specie and the Bank of England paper bear to your drawing account and deposit of paper, and in fact to all your immediate liabilities?—I cannot state that; our payments are made very much in bills of exchange and bankers' drafts, and paper of that sort, not immediately due.

1364. When you state that the amount of your specie and Bank of England paper is about one-half of your notes, you do not consider that that is a reserve which it is necessary to make, supposing you had no other liabilities to come upon you suddenly but your paper?—No, I do not think it necessary for any one purpose; it arises from a variety of circumstances that induce us to keep that sum.

1365. You have stated that your notes in circulation form an inconsiderable part of your business?—Quite so.

1366. You keep a certain amount in specie and Bank notes at all times for the purposes of your business?—Yes.

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1367. At a time of commercial alarm or political distrust, would you increase your store of specie or Bank notes, or diminish it?—We should increase it.

1368. Have you a ready access to the Branch Banks for gold?—Yes.

1369. Would you on that account be satisfied with keeping less than you otherwise would?—Certainly we might keep less on that account.

1370. In point of fact, have you been supplied with gold from the Branch Bank at Leeds?—We have.

1371. Have you an account with them?—We have.

1372. Do you find that to be a convenience as well as a saving of expense?—Certainly.

1373. Will you state whether, in the year 1825 and the beginning of 1826, during the period of the Panic, you found it necessary to increase your quantity of gold and Bank notes, and to what extent beyond your ordinary supply?—I do not recollect the extent we did increase it during the general Panic.

1374. Had you a supply from London?—We had.

1375. Was it in specie or in Bank paper?—In both.

1376. Had you any increased demand upon you during the month of May last, for payment of your notes, or otherwise?—I cannot say that we had.

1377. Will you state the principle upon which you manage your circulation of paper; have you, in the issue of your paper, any reference to the Foreign Exchanges?—Not the least.

1378. Upon what principle do you contract or expand your circulation?—According to the wants of our customers, for wages or for local expenses.

1379. You look to nothing else but that?—Nothing else.

1380. Has the establishment of the Branch Bank of England at Leeds tended to reduce the profits of the banking business at Leeds?—It lowered the rate of interest.

1381. Has it rendered it more difficult for you to charge your customary commissions?—In some degree it has, but not much.

1382. Did you not charge commission, before the Branch Bank was established at Leeds, upon discount?—Yes, we did.

1383. What was the rate of discount at Leeds, before the Branch Bank was established?—I think previously to that we had reduced it to four from five per cent.

1384. Does the Branch Bank conduct its business upon the same principle that you do, with regard to the charge of commission?—No; I believe they charge no commission, nor allow any interest.

1385. You stated, that the principle upon which you regulated the amount of your circulation was, that you supplied the wants of your customers when they required it; do you apprehend that that is the rule by which the other Bankers at Leeds are regulated?—I think quite so.

1386. And that none of them look to the state of the Foreign Exchanges?—Not at all, that I am aware of.

1387. Under such a system, may not the issues be carried to an injurious extent?—I think not, when confined to the purposes I have mentioned.

1388. Supposing the state of trade and of every thing in the country to be very prosperous, prices very high, and a great extent of commercial transactions carried on successfully; do you conceive that you may continue to issue paper according to the demand, in the way you have stated, without producing any injury to the Public?—The Committee must bear in mind the purposes for which I say it is issued; it is only for wages and local expenses; it is not for mercantile transactions of any great extent or amount.

1389. Then in your case, you make a distinction between the issues of paper for wages, and those other issues made by Country Banks, for the general accommodation of trade?—Yes; accommodation given to the trade in Leeds is not in local notes payable on demand.

1390. Did not this rule of issuing paper by the Country Banks, in the years 1823 and 1824, lead to an increase of the Country Bank circulation?—I do not know what the rule was, adopted by other Bankers; there was a general increase, I believe.

1391. Supposing the rule you have stated, of not looking at the Foreign Exchanges, but to issue in proportion to the demand for good bills, to have been the rule acted upon, may not that be assumed as the cause of the great increase of Country

Country Bank paper in 1824 and 1825?—If the other Banks confined themselves to issuing paper upon the same ground as we do, I think not.

1392. Was not there a great increase of country paper in those years?—I believe there was.

1393. Was there any great increase in the paper issued by your Bank, in those years?—It did increase, but not to a great extent.

1394. Can you state about the proportion in which it increased?—I cannot say; perhaps 10 or 15 per cent.

1395. You have stated, your circulation does increase at times and diminish at other times; is that done by the action of the Public, without any forced action of your own?—Yes.

1396. They bring paper in for payment when it is in excess, and they demand paper of you when it is wanted?—It is governed more by the common transactions of trade than any thing else.

1397. At the time when the prices are rising, would not the circulation naturally have a tendency to increase?—Yes.

1398. Do not purchasers buy in order to realize a profit upon every transaction?—That is the usual motive.

1399. Of course at such a time a great number of bills would issue, and a great many applications would be made to you for money, and in case of applications for money, you would advance the money to those whom you considered solvent, and in case of bills you would discount the bills?—Yes.

1400. Consequently, the circulation would have a tendency to increase, when prices are rising?—We should not discount those bills in our local paper, but in Bank of England notes.

1401. Why should you discount those bills in Bank of England paper in preference to your own paper?—Our own paper is not payable in London; it is a local paper, payable in Leeds; it would not answer the purposes of the parties.

1402. How would you distinguish between the bills in the ordinary course of trade, and the increased number of bills that would be out in consequence of a rise of price in many articles?—Only by observation, and the best knowledge we can get of the parties and the transactions out of which those bills have arisen.

1403. Do not you think there would be a natural tendency to increase the circulation, in such a state of things?—Certainly.

1404. Would there not be a contrary effect produced when prices are falling?—I should think so.

1405. Would not the transactions then be confined to the sellers and persons that intended to be *bonâ fide* holders?—There would be fewer transactions.

1406. Is not that generally a state of things in the currency, that it is fluctuating in amount, having a tendency to increase when prices are on the rise, and a tendency to decrease when prices are on the fall?—I should think so.

1407. So that no person could ever tell what amount of currency is necessary for the country, it mainly depending upon elements which no man, in the nature of things, can ascertain?—I should think so.

1408. In consequence of the great issues of Country Banks in 1824 and 1825, were not a number of them placed in a state of difficulty, and finally obliged to stop payment?—They were.

1409. Can you state how many stopped payment upon that occasion, in the latter end of 1825?—I do not recollect.

1410. What may be considered to be the cause of those failures?—The general Panic, the demand for payment upon deposits, and other liabilities which the Bankers were not prepared to make.

1411. Had the Banks given rise in any degree to that panic, by the manner in which they conducted their issues?—I think it is not considered to be attributed to them.

1412. Are you not of opinion that a great part of the distress that existed in that and the following years, 1825 and 1826, arose from the failure of a great house in Yorkshire, Bankers, who conducted their business upon the most mistaken principles?—It increased it very much.

1413. Had they not many establishments?—Several.

1414. Do you think that they conducted their business upon any principle of common sense or common safety?—None whatever.

1415. You have been asked whether you regulate your issues by a state of prices, or by Foreign Exchanges, or other circumstances; is not the practice of the

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Country Banker this, to issue whenever his notes are called for, but to make his regulations of prudence fall upon the proportion of assets that he holds to meet his circulation; but that he does not contract or expand voluntarily his issues upon any consideration, either of the variation of prices or the state of foreign Exchanges?—As I have stated before, when we are called upon for advances, it is not in an issue of our own local paper; we discount in the Bank of England paper; our own local paper is entirely confined to the payment of wages, and to the lower description of demand; we confine it entirely to local purposes.

1416. When your notes are called for, for any purpose, do you inquire of the person calling for them what he is going to do with them?—No.

1417. How do you know, then, that they are applied to the purpose you have mentioned?—By the amount; we never think of issuing our notes in discounting any large bill, but if a man wants to pay his work-people, or any thing of that sort, we think that a proper mode of issuing notes.

1418. If a man brings money to you, or if a man has money upon account with you, and asked for your notes, you give them to him?—Yes, we do; but we confine ourselves to small amounts; we should never think, for instance, of paying 1,000*l.* in our own notes, we should give him Bank of England paper, rather than our own.

1419. Why should you do that?—Because we do not issue our own notes to that extent.

1420. Would you have any objection to do so if it was demanded?—It is not the practice to do so.

1421. If you were to discount, under the circumstances stated to you, with your own local paper, would you not calculate upon your local papers being returned to your hands so quickly that you would be no gainers by it?—We should be no gainers by it.

1422. Are there any Banks in Leeds which issue notes payable in London?—I think one of the Banks has some notes, but it is only a small proportion.

1423. Is not your system of banking the general system of Yorkshire?—It is chiefly so.

1424. Is not a great part of the business of Yorkshire done by means of bills of exchange circulating?—It is.

1425. When you pay in Bank of England notes, do you do it by drawing upon your London Banker?—No, we pay actually in Bank of England notes.

1426. Did you use Bank of England notes always, or has it arisen since the establishment of the Branch Banks?—Not at all more so since the establishment of the Branch Banks, it was so always.

1427. How do you account for the distinction of practice between the Yorkshire Banks and those in other counties?—I fancy that in other parts of the kingdom the local notes are payable also in London; ours are merely payable at the place where they are issued, and we do not consider them applicable to general purposes.

1428. Is that an act of restraint on your part, or is it in consequence of the people not being willing to take them?—It is our own choice.

1429. Has the business of your house sustained any diminution since the establishment of the Branch Bank of England at Leeds?—Not much.

1430. Can you state to what extent?—I think it is so trifling that I do not know how to state it.

1431. Is there any thing to prevent a Bank being opened in Yorkshire, to issue paper in the same manner as in other parts of England?—Not at all.

1432. Then this system might be put an end to by any person or any set of partners introducing Banking upon the plan upon which it is carried on elsewhere, namely, that of dealing principally in their own notes?—They might get some business, the same as other new establishments do.

1433. Do you think the establishment of the Branch Bank in Leeds has been beneficial to the trade in Leeds?—I think it has.

1434. Can you state any of those points in which you think it has been beneficial; can you state what reduction in the rate of interest it has produced?—It was five per cent, it is now four.

1435. Do you call to mind any other advantages that have resulted from it?—We consider the Branch Bank a great deposit for gold; they take in the gold from the different Banks that overflow with it, and they supply those that want it.

1436. Does

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1436. Does not the Branch Bank give the Public access to the London discount market; does not it enable a manufacturer at Leeds to send his bills to his agent in London, who may get them discounted at a lower rate than the Banking rate of interest, and pay the produce into the Bank of England here, and receive it with the simple charge of postage in Leeds?—Yes.

1437. Do they not also afford great facilities in the transmission of sums of money, not only between Leeds and London, but between Leeds and every other country town in the kingdom where a Branch is established?—I believe they do, when required.

1438. May not a trader in Leeds, if he has to pay or receive money from Birmingham or Manchester, do it through the medium of the Branch Bank, with the simple charge of postage of a letter?—Yes.

1439. You have stated that the rate of discount you charge is four per cent; supposing a Bank is opened in Yorkshire, and to issue nothing but its own paper, might it not obtain a good deal of circulation for its paper, if it charged a less rate of discount?—Yorkshiremen, like others, will always go to the cheapest place.

1440. Is it not possible, in that way, to have a good system of banking deranged by a speculative Bank, without sufficient capital, running into competition with you upon the rate of discount?—I do not think it would make much impression.

1441. Do you think such a Bank would get much credit?—I think not.

1442. How much per cent per annum do you consider to be the expense of your circulation?—About from one to one and a half per cent.

1443. Then supposing a great Bank of issue should be established in Yorkshire, and they should discount bills with their own notes at three per cent, do you think such a Bank would be either profitable to those that embarked in it, or a very great service to the community?—I think none at all.

1444. In stating one to one and a half per cent as the expense of your circulation, do you include interest upon the Bank of England paper, or bullion, which you are obliged to keep in your coffers?—Yes; but I speak with hesitation upon that point.

1445. Do you find that the Branch Bank of England at Leeds, takes away many of your drawing customers, or depositing customers?—Scarcely any.

1446. Do you suppose that persons keeping drawing accounts with you, had rather pay you a commission of one quarter per cent, and take the benefit of the interest you allow, than keep their account with the Bank of England, and get no interest?—Yes. We do a business that the Branch Banks can never do for the Public; we supply their wants in a variety of ways that a Branch Bank can never enter into.

1447. Supposing you had the power of deciding whether there should or should not be a Branch Bank at Leeds, would you, upon the whole, have it there, or not?—I think upon the whole it is desirable, and that it adds to the safety of banking.

1448. Do you think that they are advantageous to Bankers, and advantageous to the general state of the place?—Yes; I think as they are now conducted, they are advantageous to the Public.

1449. Upon the occasion of the renewal of the Bank Charter, is there any alteration of the powers of the Bank, or with respect to the establishment of Branch Banks, that you would wish to recommend to Parliament, with reference to the interest of your particular neighbourhood and business?—I do not recollect any; we are quite satisfied as it stands at present.

1450. You do not think the system could be materially improved?—I am not capable of suggesting any improvement, without much consideration.

1451. Do the Branch Banks ever over-pay any account?—I believe they do not.

1452. But you do that to a respectable man?—We do.

1453. Supposing the Branch Bank were to conduct its affairs upon the same principle upon which you conduct yours, would not then the Branch Bank get a great many of your customers?—Certainly.

1454. What is there to prevent the Branch Banks conducting their affairs upon the same principles upon which you do?—I do not know.

1455. Have you no apprehension that the Bank may choose, in the course of time, to conduct their affairs precisely in the same manner as the other Banks in Leeds do?—I do not know at all what the intentions of the Bank may be, I can only speak of the Branch Bank as it now conducts its business.

1456. If the Branch Bank were to allow interest upon deposits as you do, would it

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it be likely to interfere with the Banks generally at Leeds?—I think it would; their credit being superior to any individual house, they must take the business.

1457. Do you remit the King's taxes from Leeds, or do the Branch Bank?—The Branch Bank.

Charles Smith Forster, Esq. called in; and Examined.

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1458. YOU are a Banker at Walsall?—I am.

1459. What proportion of your business depends upon the issue of paper, and what proportion upon other banking transactions?—About one-sixth of my liabilities belong to my paper circulation, and the remainder to deposits from my customers.

1460. Are the notes you issue payable in London?—They are.

1461. What is the principle upon which you regulate the amount of your issues?—The demands of our customers.

1462. Do you look at the Foreign Exchanges at all?—No.

1463. Do you issue paper upon all good securities that are offered to you?—The issue of our own paper is with us a secondary consideration, in reference to business transactions. When I say that I do not refer to the Foreign Exchanges in reference to the issue of my notes, I should say I do refer to them in reference to my discounts generally, but the notes are merely an instrument of effecting the discounts.

1464. Do you discount the bills presented to you in your own notes, or do you discount any portion of them in Bank of England paper?—By far the largest portion are discounted in cash transfers, the part that is discounted in our own notes is very inconsiderable.

1465. In what different modes do you get your notes into circulation?—A party who presents a cheque at the Banking-house has his option in what mode he will receive it; if he requires notes, notes are given to him; if he requires gold, gold is given to him. But our practice is not to issue Bank of England notes; we are rather singular in that respect; the Bank of England having, since the establishment of their Branches, become our rivals, if I may presume to call them so, we have discontinued issuing their notes.

1466. If Bank of England notes are required, have you them always in hand in sufficient quantities to give them to your customers?—We have not; but we make a point to have the means of paying our notes in gold; we have our own notes of all sizes to meet the wishes of our friends, so that if the party is dissatisfied with our notes, we give him the option of the lawful coin of the realm.

1467. Do your own notes form the chief part of the circulation in paper, in the neighbourhood where you live?—Certainly not; there are a great number of Bankers who issue notes, some to a larger extent than ourselves, and we have also a branch Bank established near us, whose issue is considerably above ours.

1468. Do the Banks in your neighbourhood pursue the same system of banking that you do, of issuing notes payable in London?—They do; but I am not aware that any but ourselves refuse to issue Bank of England notes; the general practice is to keep a store of Bank of England notes, but we upon principle abstain from doing that.

1469. Does that interfere with the amount of your transactions?—It has not done so; it was objected to at first, but we endeavoured to make it palatable to our friends by giving accommodations in other respects, and we have been able to maintain it.

1470. What is the ground upon which you object to issuing Bank of England notes?—Because we consider that we are forwarding the views of rivals.

1471. Is not Walsall in a large manufacturing district?—It is.

1472. Are the notes you issue, for the payment of workmen's wages?—Principally, and every transaction in life that requires the use of money.

1473. Are all the payments you make to the manufacturers for the payment of wages, made in your own notes or in gold?—Yes.

1474. In what proportion does a manufacturer who has a great many persons employed, require from you gold and notes?—The general proportion is one half, or two-thirds in gold.

1475. Did you prior to 1826 issue 1*l.* notes?—We did.

1476. What proportion might the notes under 5*l.* bear to your notes of 5*l.* and upwards?

upwards?—At that time the notes under 5*l.* were probably, generally speaking, twice the amount of those of 5*l.* and upwards.

1477. Can you state what proportion your notes of 5*l.* and upwards now bear to what they did when you issued 5*l.* notes?—An addition of more than one-fourth.

1478. Have you any objection to state to the Committee what proportion of gold you keep, as compared with the amount of your circulation?—That proportion is now less, because we have made an arrangement by which we can always get gold at a very short notice. When I first established the regulation of keeping my reserve entirely in gold, the proportion was about one-third of the amount of my notes in circulation.

1479. Have you your supply of gold from London?—No, it is within a short distance.

1480. You have found the means of getting a supply of gold at a less expense, and more conveniently than by having it from London?—Yes.

1481. Will you state what occurred in Staffordshire in the month of May last, with regard to a demand for gold?—During the time of the political interregnum, if I may be allowed the expression, there was the greatest distrust upon the part of the Public, in the town and neighbourhood where I resided, of the Bank of England and its notes; and the consequence was, the Bank of England notes were brought in very frequently for exchange; the practice became so frequent, that we made a charge of commission; still it increased; I ordered that commission to be doubled, and I believe that if I had ordered it to be doubled again, the charge would have been readily paid.

1482. At what period was that?—In the middle of May. During the time of the secession of His Majesty's Ministers, the Bank of England notes were brought to the banking house in exchange for gold; at that time the Bank of England notes were very much inferior in credit to my own notes. That mistrust was founded upon two reasons, the inhabitants of the district knew, in the first place, that my own notes were more easily convertible, because a walk of a few minutes would procure gold for them; while for the Bank of England notes they must travel to the Branch, and they had some doubts whether at the Branch Bank they should obtain the payment of any notes, but the notes of that particular Branch. And connected with that there was another reason which I found prevailing among rather intelligent people; the parties reasoned in this way, they said the Government is in jeopardy, if it should be overturned, as the Bank of England is mixed up and identified with it, it will fall with it; but Country Bankers, possessed of great opulence and prudence, we conceive may survive the revolution, therefore we conceive we are adopting a safer plan in keeping the notes of our neighbours answering to that character, than in keeping those of the Bank of England. I have no doubt that appears ridiculous to the Committee present, but it was a very prevalent feeling.

1483. Was it not partly caused by this also, that persons having a strong political opinion, thought they were promoting the success of that opinion by pressing those demands upon the Bank?—I believe it was.

1484. How long did this demand for the exchange of your notes for Bank of England continue?—Probably six or eight days.

1485. From what description of persons was it?—Generally speaking, from persons of a low class of life.

1486. What was the general amount those persons brought?—I cannot say, I was from home part of the time; the clerks informed me of the proceeding when I came home.

1487. To what extent might that substitution of your notes for Bank of England notes have gone?—I did not say there was any substitution of our notes for Bank of England notes, although I believe such was the case; I said there was a preference given to them in the common circulation.

1488. You were understood to say, that the Bank of England notes were in such discredit in your neighbourhood in May last, that the amount brought to your Banking house was so large, that in order to put a stop to it you gave directions that the commission should be increased; to what extent did you receive Bank of England notes in change for gold during the period you have alluded to?—That is a question I cannot answer, I did not take any account of it; in standing behind the counter I saw, repeatedly, parties come in, and I saw the charge made.

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1489. Was it to such an extent as to make it very obvious that your commissions had greatly increased during that period?—I am not aware that there was any great amount of commission received; but the feeling was as I state, and that I saw in a great many instances.

1490. Do the Banks in your neighbourhood issue Branch Bank Notes?—Yes; and I can relate some instances where the inconvenience arising from the mistrust of Bank of England notes was very great; one Banker, who had formerly issued his own notes and had lately given up his own issue and issued Bank of England notes, informed me that some parties to whom he had paid Bank of England notes brought them back, and begged that he would exchange them for gold; that he declined to do; his refusal increased the mistrust, and there were offers of premium made as an inducement to get gold for them in exchange.

1491. You have stated, that the description of persons that generally applied for the exchange of notes for gold at that time, were of the lower class; were there many of them of the middle class?—Some of the middle class.

1492. Do you happen to know whether they generally belonged to Political Unions, or any other Unions?—In one instance I recollect I saw a man come in with some marks of haste, and ask for the exchange; and a person who stood near me said, "That is a very dangerous political character;" but more frequently, I think, they were people without any strong political feeling, but under the influence of fear.

1493. Was that man a member of a Political Union?—I believe he was.

1494. How was that fear created?—From the idea I have alluded to, that the Government was in jeopardy, and that the Bank of England was so mixed up with it, that it probably would fall with it.

1495. Do you apprehend that that opinion was instigated for the sake of political objects?—Not altogether; I think it arose, as I have just said, partly from the fears of individuals.

1496. Were there any placards issued, inviting the Public to go and exchange Bank of England notes for gold?—Not in the town in which I live.

1497. Is the circulation of the Bank of England paper a novelty in that neighbourhood, since the establishment of the Branch Banks?—Not altogether a novelty; but it circulated in a very small amount till the establishment of Branch Banks; now it has become almost the universal circulation, most of the private Bankers have surrendered their circulation to the Bank of England.

1498. Has not that substitution of the paper of the Country Banks by the Branch Bank paper been rather hostilely received by the Country Banks?—Most of the Country Banks, in consequence of some advantages they receive from the Bank of England, are inclined to fall in with it; very few retain their own circulation.

1499. What proportion of the Banks in your neighbourhood have fallen in with that plan?—In the district I have now particularly in my mind, I think about one-half.

1500. Has that proportion a tendency to increase?—It has.

1501. Is the opinion rather a growing one, that it is more for their interest to use Bank paper than to circulate their own paper?—Decidedly so.

1502. Is that your own opinion?—It is not.

1503. Is it that you do not think it for your interest, or that you do not like to encourage the establishments of the Bank of England within that district?—I do not think it is for my interest; I think there are advantages attending the circulation of Country Bank notes, which are not obvious to all Country Bankers; I think it gives a sort of eclat to the establishment; it answers the purpose of the address card of a tradesman; it makes the Bank notorious, and makes it a subject of conversation, and brings deposits and customers.

1504. You think that a Bank acquires notoriety through the fact of its paper being in the hands of every body?—Yes; I conceive that when a Banker abandons his circulation, he degrades into a bill broker, and particularly when he re-discounts his bills with the Bank of England; but when he issues notes, and pays those notes honourably, he retains a much more important station in the commercial world; when he discounts bills with the paper of another establishment, and sends his bills to that establishment, he has become an agent of theirs, in fact, I consider, more a bill broker than a banker.

1505. You have stated the proportion of bullion you hold to be about one-third of your issues; you do not calculate, it is presumed, that one-third is necessary for the proportion of your paper out, but the amount of specie you retain is also in

in consideration of your liability to make payment upon demand upon your drawing and deposit accounts?—Our business is to calculate and to provide against demands; that we do as accurately as possible, when we have reason to expect any extraordinary demand; I believe, at times, our reserve has equalled the amount of our circulation, but what I have stated was the ordinary amount in quiet times, previous to the arrangement which I have mentioned; in the period I have just referred to, the ordinary amount was greatly increased.

1506. Do you consider that amount of specie to be a security, not only against your circulating notes, but against all your other liabilities to payment on demand?—Not exactly so, because the arrangements we have made would in a very short time enable us to procure any supply we wanted; we have in fact a depôt of cash in another place. I should add, that the deposits bearing interest are subject to a notice before they can be withdrawn.

1507. Is the quantity of gold you keep generally more with reference to the probable demands upon you than with reference to the circulation?—Decidedly; our notes are all payable in London; they are generally remitted to London for payment, very few come to us; 19 out of 20 are paid in London.

1508. Do you find that the Branch Banks take away your country customers?—They have done so; they have also compelled us to diminish our charges.

1509. Do you upon the whole, then, dislike their being there?—I consider that they have done us great injury, but I do not know that I should complain of them now.

1510. It appears that you do not use the Branch Bank for the purpose of obtaining specie when you require it?—We do not.

1511. Nor do you use it for the purpose of the transmission of money backwards and forwards between London and Walsall?—No.

1512. With respect to those Banks that do so use it, and who circulate Bank of England paper, are they disposed to view with favour the establishment of the Branch Banks, or not?—I cannot say; at first they were very averse to it, but how far their objection may be removed I cannot say.

1513. Has it reduced their profit?—Considerably, our commission and our rate of discount.

1514. Are you not often obliged to discount without commission?—Yes, we are frequently obliged to discount under the Bank of England rate.

1515. To what extent has it reduced the commission?—Before the establishment of the Branch Banks we discounted at five per cent, but now at various rates down to three-and-a-half, in some cases three.

1516. Do not you consider it a great benefit to the general trade of your neighbourhood, being able to have the use of capital at three-and-a-half instead of five per cent?—I believe the traders were generally making greater profits when they paid us five per cent, than now, when they pay us three-and-a-half.

1517. Has the introduction of the Branch Banks contributed to putting down any private Banks?—It has, I think.

1518.—Do you conceive that you are able, and that in point of fact you do give more accommodation to the trade in the way you deal, than the Branch Bank does?—I do.

1519. Then, though you have reduced the charge to the trade, of the rate of discount, may not the general effect of the interference of the Branch Banks be to diminish your means and to make you lessen the quantity of accommodation you have been in the habit of giving to the trade?—I cannot say that it has diminished our means, because we have not felt that withdrawal of deposits that might have been expected.

1520. If the effect of the introduction of Branch Banks is to diminish the number of Banks issuing their own paper, will not it diminish the accommodation to the trade?—I should think it would.

1521. Is there any thing to prevent the Bank of England from engrossing the whole circulation of the country by degrees?—They cannot do so as long as the private Banks have the power of issuing their own notes, and they have the inclination to do so.

1522. You say that they have already engrossed one half of the circulation of your county; may they not go on in that way, and engross the whole circulation of the county?—I think that is the tendency.

1523. Would that result, in your opinion, be attended with great injury to the interests of trade?—I think so; I also think that as a general system, it would be

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worse ; I consider that a paper circulation is much more beneficial when there are fifty depôts of gold than when there is only one ; the notes issued by private Bankers payable by them at their various establishments, are more readily convertible into gold than the notes of the Branch Bank of England, which would extend for fifty or one hundred miles from that Branch.

1524. Do you think it would expose the Bank to large drains upon it ?—It would give the Public less opportunity of converting their notes into gold.

1525. Would the extension of the Branch Bank system expose the Bank to have sudden drains upon it for large quantities of gold ?—I think it might, because when once a difficulty occurred, alarm would follow.

1526. Then in fact it would contribute to produce the necessity of having recourse to the suspension of cash payments more frequently than under the former state of things ?—I think so, upon the principle I have mentioned.

1527. Is not the trade of your neighbourhood principally in iron ?—It is.

1528. Has not that trade been in considerable distress lately ?—The iron works are in a state of depression, but the manufacturing towns are not in extreme distress at the present moment.

1529. Are not the large iron masters there in a great state of distress, with large stocks in hand ?—They are.

1530. Having these large stocks in hand, is it not a considerable relief to them to be able to get a capital at the moderate rate of $3\frac{1}{2}$ per cent, instead of five per cent ; and though it may be an injury to the Country Banker, is it not a considerable relief to the trade so situated ?—I am quite willing to allow the Branch Banks this merit, that they have certainly arrested the progress of insolvency.

1531. Was insolvency proceeding in your neighbourhood very much ?—I think it was, and I think the accommodation given by the Bank of England to the iron masters has arrested the progress of insolvency.

1532. Do you think it will end well, unless the iron trade should revive ?—That is a question I cannot answer ; I have rather a desponding feeling upon that.

1533. Does the Branch Bank advance money to the iron masters upon the security of their stock in hand ?—I think not.

1534. If it should unfortunately end ill, is it not less likely to end ill if the persons so distressed have a less charge to pay in forming their stocks, than if they had a heavier charge to pay ?—Certainly. I consider that the diminution of the rate of banking charges has lessened the difficulty that formerly pressed upon the iron masters and men in a distressed situation, as far as relates to the charges on their business.

1535. In your neighbourhood, as in any other, must not the charge paid for wages, or any other charge, affect the price at which the articles can be afforded in competition with others ?—Certainly.

1536. Do you think that the scale of charges made by the Branch Banks in your district is one upon which banking business can be profitably conducted ?—Certainly not.

1537. Do you think it an advantage that banking profits should be reduced below a remunerating rate ?—Certainly not.

1538. Has there ever been a loss sustained by yourself, or by the Public, in consequence of forgeries on your notes, in any late period ?—The Bank with which I am connected has issued notes for near half a century, and we never had but one instance of forgery, and that not more than ten or fifteen notes, and that was about five years since ; the loss was not 10*l*.

1539. What interest do you allow upon deposits ?—Two and a half per cent.

1540. What interest did you allow previous to the establishment of the Branch Banks ?—The same.

1541. Has it not been the case, that by the low rate of interest charged by the Banker, the iron master has been enabled to produce a larger quantity of iron ?—I could not answer that ; it has diminished the general charges of his business, and so far it has enabled him to meet the very low price that he has been compelled to submit to.

1542. Is not the natural consequence of obtaining capital at a cheap rate, that it increases the production of the commodity to which that capital is applied ?—It certainly gives facilities of production.

1543. Then do you apprehend that that increased production has not been over compensated in its consequences by the lower rate at which it can be produced,

produced, and thereby tended to create a greater glut by the additional quantity? *Charles S. Forster, Esq.*
—It may be so.

1544. Did you mean to say that you thought the Branch Banks were not carried on with profit?—I answered the question generally; that I conceived the rate they charged would not afford profit to a Banking establishment generally.

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1545. Do you, then, consider that the Bank of England are carrying on the trade of banking in the country by their Branches in competition with the regular traders, and that they are in point of fact able to sustain a loss in consequence of the great extent of their capital in so conducting their trade?—They may do so, for they have a profit upon the circulation of their notes which the private Banker would not have; their notes of course remain out longer than those of the private Banker; they are not sent in for payment as the notes of private Bankers are, and the Bank of England gives no interest upon deposits; so that any thing they receive in the shape of discount, be it at the rate of four or even three per cent, is profit, with the exception of the expenses of their establishment; they have those advantages which private Bankers have not.

1546. Is it in point of fact an interference with the aid of very large capital, applied without profit, against the capital of private individuals who have altogether to depend upon the profit they make upon their capital?—Exactly so.

1547. What reason have you for supposing that the Branch Banks make no profit?—I did not express myself to that effect; I stated that I conceived the rate they charged would not, generally speaking, bring a profit to a Banking establishment.

1548. Do you think a Banker of capital would be disposed to continue banking in your neighbourhood, if he was confined to the same rate of charges that the Branch Banks make?—Certainly not.

1549. Previous to the establishment of the Branch Banks, was not a large proportion of Bank of England notes used by Country Bankers exchanges?—Yes.

1550. You have stated that the iron masters gain an advantage by having discounts at $3\frac{1}{2}$ per cent; do you, with the knowledge you have of the present state of banking in your neighbourhood, think that if they have larger stocks on hand, they have the same degree of credit as they had previously to the establishment of Branch Banks under a lower rate of discount?—Certainly not.

1551. If the rate of discount is higher, is it not a temptation to Bankers to run rather a greater risk to accommodate them?—It is an inducement.

1552. You stated that the iron masters, or the great dealers in your neighbourhood, are not in the same state of credit and substance that they were before the establishment of the Branch Banks; does not the diminished state of credit in which they stand, arise from the distressed state of their trade, and not from the fact of the establishment of the Branch Banks in the country?—Certainly.

1553. You do not ascribe it to the establishment of the Branch Banks?—Not their individual credit, but the Country Bankers would be now less inclined to accommodate them; we consider that as that is the shop to which they naturally go, if they come to us, there must be some bad reason for it.

1554. Are you not of opinion that the prosperity of the district in which you reside has been mainly assisted by Country Banks, yours, and others?—Decidedly.

1555. Are you not of opinion that it would be impossible, or nearly impossible, to pay the wages of the working class of manufacturers, without the assistance they afford at the present time?—Certainly, without the assistance of the Bankers generally.

1556. Do you mean by the assistance of which you have spoken, the assistance which your Bank and other Banks afford as banks of deposit, or do you mean by that which they afford as banks of issue?—Not as banks of deposit, but as banks of discount; our accommodation is afforded by discounts and loans.

1557. That accommodation which you afford by way of discount, you afford in two ways, by the issue which you make of your own paper, which you have stated to be to the amount of one-sixth of your general dealings, and by the deposits which are placed in your hands on other accounts?—Yes.

1558. Consequently, the advantages which your neighbourhood derived, supposing them to arise from two sources, would be in the proportion of one-sixth from you, as a bank of circulation, and five-sixths as a bank of general deposit?

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—I think the circulation is entitled to a larger relative proportion than its mere numerical amount.

1559. To what extent do you think?—It is a matter of opinion, and I can hardly say; but it is of more value than its mere numerical proportion.

1560. On what grounds do you form that opinion?—Because I conceive it so mainly assists and increases the operations which proceed from the deposits.

1561. Do you think that, supposing you were to cease to be a bank of circulation, you would not be able to afford the proportion of accommodation to your neighbourhood which you now afford from your deposits?—I think we should not.

1562. Would the circumstance of your ceasing to be a bank of circulation diminish the amount of your deposits as Bankers?—I think it would ultimately; because I think we should sink in the scale of commercial importance, and, as I before expressed myself, become bill brokers to the Bank of England.

1563. Then you think it would be injurious solely with reference to the moral character of the Bank?—Not merely so, but I think the issue of notes brings parties to the Bank, who come there to have their paper changed, and frequently to get paper in exchange for gold, and that leads to other business; there are a number of other circumstances all tending to the same point, and by analogy, I consider that the Bank of England, if it issued no notes, would be of much less importance than it is.

1564. Supposing the same amount of deposits to be in your hands which you have at present, without your issuing notes would you not be enabled to afford the same amount of accommodation to your neighbourhood which you afford at present from that source?—I think not.

1565. Why not?—The notes are always at hand, the privilege of coining them gives us an opportunity of affording accommodation at an instant.

1566. Under the circumstances that have been supposed, what would you do with that proportion of your deposits which you can employ beneficially?—Our practice is to keep as little money unemployed as possible; those deposits would be sent to London, or wherever we employ our spare money. If an extra demand comes, we can in a moment coin fresh notes, and that gives a facility in affording accommodation.

1567. Supposing the rate of interest in London to be lower than the rate of interest you can obtain for discounts in your neighbourhood, would you prefer, under those circumstances, sending your deposits to London, rather than issuing them in your own neighbourhood?—I am assuming that they are gone there; assuming that all our unemployed money was remitted to London and employed in discounts there; if a party comes offering bills for discount, having the power of issuing notes, we can create notes to discount those bills.

1568. Under the circumstances supposed, namely, that the rate of interest in London was lower than the rate of interest with you, what conceivable interest could you have in sending your deposits to London?—I am assuming that the deposits are gone in the first instance, previous to the application for discount from our own neighbourhood.

1569. Then you assume that when the deposits were paid in, the rate of interest in London and in the country were the same, but that they varied afterwards?—Yes.

1570. But supposing the rate of interest in your neighbourhood is higher than that in London, would not that be a sufficient inducement to you not to send your deposits to London?—Our practice is, that we may have no unemployed money, to send it all to London, and supposing an extra demand arises in the country at a higher rate of discount, we then discount the bills in London, or wait their coming into cash, and employ it in the country; and the practice of making notes enables us to carry on both systems, because the time we get by the circulation of the notes, enables us to get the London bills paid, so as to meet the extra demand in the country.

1571. Would it not make just the difference of the time required for sending for your money from London?—Probably more than that; we reckon more upon our circulation than that.

1572. Is it not the fact, that the extent of the assistance you have given to the trade in your district has been in proportion to the amount of your deposits and circulation together?—Yes.

1573. If the circulation had been taken away, you would have given less assistance to the trade of your district?—Certainly.

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1574. Is not the tendency of the Branch Bank system to place you and other Banks upon the footing of London private Banks?—The business is so different in the country and in London, that I can hardly answer that in the affirmative.

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1575. Can you suggest any modification, or any improvement upon the system of Banking which you think the Legislature should adopt upon the renewal of the Bank Charter?—The only suggestion I have to offer is a plan which I have given some attention to; I consider that we have no right to ask for the withdrawal of the Branch Banks, or for the annihilation of the Joint Stock Banks; and all we can ask is, to have the same privileges that those establishments enjoy; I am not aware that the Bank of England has any legal privilege now beyond its incorporation, over Country Bankers, except the enactment that its notes shall be received in all revenue payments, which is in consideration of a sum lent by the Bank to the Government at a certain rate of interest, and which in point of fact makes those notes a legal tender. The suggestion that I wish to throw out is, that Country Bankers should have some such privilege. The Bank lends a certain sum, and has the privilege of issuing notes to any amount, which are received. Considering the difference in relative importance between the Bank of England and Country Bankers, the Country Bankers could not expect such a privilege as that, but if the Country Bankers were allowed to make a deposit with Government at a certain rate of interest, such a rate as the market would regulate and such as Government could afford to give, and were allowed upon the strength of that deposit to issue notes, which notes should be received by the Government officers in all revenue payments, and upon their being paid by the Country Bankers and produced at the Government office (an expeditious machinery being adopted for the purpose) the Banker should either receive his money as a deposit with interest, or re-issue notes so guaranteed, I consider that it would have various good effects; in the first place, there is a disposition now amongst Country Bankers of opulence generally to retire from business; it is rather a dying concern; this, I think, would infuse new life into it, and would elevate Country Bankers again in a scale of respectability.

1576. Are you aware that that is matter of regulation at the Treasury, and that there is nothing in the Charter to preclude the Treasury making any regulation it pleased for the collection of the country taxes?—It is directed by Act of Parliament (56 Geo. 3, c. 96) which contains the following Clause:

“ And be it further Enacted, That until re-payment to the said Governor and Company of the said sum of Three Millions, and all interest to become due thereon, the Promissory Notes of the said Governor and Company, expressed to be payable to bearer on demand, (called Bank Notes) shall be received in payment of all sums of money which now are or at any time hereafter shall become payable for or in respect of any part of the Public Revenue, and shall be accepted and received by all collectors, receivers and other officers of the revenue authorized to receive the same, if offered to be so paid, fractional parts of twenty shillings only excepted.”

Allow me to mention, as other advantages belonging to this plan, that it would tend to increase the circulation, which some persons think inadequate at the present moment, and that the country would have the benefit of Government responsibility, without the evil of a Government currency. I should add, I would not recommend that Country Bankers should be compelled to adopt this plan; and I would even leave them at liberty to adopt it in regard to one part of their circulation, and refrain from it in regard to the other.

1577. Would you wish to have it insisted upon that there should be no establishment of Branch Banks?—Certainly not.

1578. Should you think another chartered Stock Company in London issuing notes desirable?—That is a question I hardly feel competent to answer.

Martis, 19^o die Junii, 1832.

THE RIGHT HON. LORD VISCOUNT ALTHORP, IN THE CHAIR.

John Parry Wilkins, Esq. called in ; and Examined.

*John P. Wilkins,
Esq.*

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1579. YOU are a Country Banker?—I am.
1580. Where is your establishment?—My establishments are at Brecon and Merthyr Tydvil.
1581. Do you issue your own paper?—We do.
1582. In what different modes do you issue your paper?—In the discount of bills, and in loans on promissory notes.
1583. Does the business you do as an issuer of paper, bear a large proportion to your business as a bank of deposit?—Our deposits are considerably larger than our issues of paper, nearly twice as much.
1584. Are the classes of persons to whom you make advances, manufacturing or agricultural, in general?—Agricultural.
1585. Is the establishment you have at Merthyr for agricultural purposes?—Not at all.
1586. Do you make advances to the manufacturing population?—Upon their trade bills.
1587. In your advances to the agricultural population, upon what sort of securities do you advance?—Joint promissory notes.
1588. Are those securities negotiable securities in the market?—No, they are not; they are payable to order; we might negotiate them if we liked; they would be of very little service in the money market.
1589. What is the form?—We jointly and severally promise to pay Messrs. Wilkins & Co. or Order.
1590. Are they payable in London?—Some payable in London, and some in the country.
1591. Is there any interest upon them?—At the rate of five per cent.
1592. Do you pay any interest upon deposits?—Upon a part of our deposits we pay at the rate of three per cent.
1593. Upon what part?—About one-half; they are left for that particular purpose; if the money is not deposited for more than six months, they have no interest, but if they leave the money beyond six months, we allow interest at the rate of three per cent per annum.
1594. Do you give any interest upon the drawing account?—We seldom do.
1595. Do you require any notice for the deposits being withdrawn?—We do not.
1596. Is it necessary for a party who is to receive interest, to pledge himself at the commencement of the period, that he will keep the money in your hands six months?—It is.
1597. Do you charge a commission upon drawing accounts?—We do not, unless the account is overdrawn.
1598. You are compensated, then, by the balance that is kept?—Exactly so.
1599. Have you any objection to state what your circulation has been at different times?—I have no objection to state the sums in different years: I have got it from 1818, taking in September in each year. In 1818, our circulation was 89,000*l.*; in 1819, it was 113,000*l.*; in 1820, it was 98,000*l.*; in 1821, 96,000*l.*; in 1822, 75,000*l.*; in 1823, 83,000*l.*; in 1824, 87,000*l.*; in 1825, 113,000*l.*; in 1826, 123,000*l.*; in 1827, 124,000*l.*; in 1828, 120,000*l.*; in 1829, 90,000*l.*; in 1830, 60,000*l.*; in 1831, 52,000*l.*
1600. That is at the two different Banks?—It is.
1601. The 1*l.* notes were taken in in 1829, does that account for the reduction in that year?—Yes, it was on the 5th of February 1829.
1602. Have you found your deposits vary in the same ratio?—I have no account of the deposits.
1603. Can you state, from your recollection, whether the deposits have varied in any thing like the same proportion?—They have varied very much; not those upon interest so much as the running accounts; the running accounts are very low at present.
1604. Did this contraction arise from any system you adopted for the purpose,

or

or was it the action of the Public upon the Bank?—The action of the Public upon the Bank.

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1605. Did it ever occur to you to notice whether a contraction took place in your notes at the period of an unfavourable Exchange?—Exchange has no more to do with our circulation than the last year's snow.

1606. Have you ever noticed whether the contraction of the notes of the Bank of England has had any effect in contracting your circulation?—I have never taken the thing into consideration; in the public prints it has been often stated, that in the course of a great issue of the Bank of England the currency has gone out of the Country, but it never influenced me at all.

1607. Have you observed whether or not a regular contraction of the notes of the Bank of England has had an effect upon your notes at the same period?—Yes, I think I have observed that to be the case.

1608. When you said the deposits were twice as much as the circulation, do you include in that the interest of the deposits, as well as the deposits upon drawing accounts?—Yes.

1609. You said the bills upon which you made advances, are not all of them negotiable?—They are negotiable in fact, but they would not be convertible with facility in the money market in London.

1610. Is not that occasioned by a particular rule laid down by the Bank of England, which renders one description of bill negotiable in the market, and not another description of bill, and that the description of bill upon which you make advances does not fall under the description of bills that the Bank of England is accustomed to discount?—I never knew of any law to prevent our negotiating those bills; they would with our indorsement be negotiable, but not without.

1611. And such as you think the Bank of England, or any party in the London market disposed to discount bills, might take with as much advantage as any other description of paper?—Yes; we should take care that the parties were responsible parties.

1612. By what class of persons are those bills given?—Chiefly by drovers; the part of South Wales that I come from is a breeding country, and the drovers who supply the feeding counties in this country come to us for accommodation to enable them to go to the fairs; and in general they bring some responsible person with them, to borrow 1,000*l.* or 2,000*l.* and we lend them the money for two or three months.

1613. Are you acquainted with the character of the persons that come to you in that way?—We are acquainted with them, at least with one of the parties.

1614. Do you consider that those drovers would be able to conduct their business without such accommodation?—No, I think that many of them are now thrown out of business for want of accommodation. The capital created by the 1*l.* notes enabled the Banker with more facility to give accommodation; it would not be worth my while to increase my capital by drawing money out from the funds or from mortgages, to lend it to those persons at five per cent, incurring a heavy risk.

1615. Since the withdrawal of 1*l.* notes, have you diminished the accommodation you afford?—Yes, four-fifths, to the drovers more particularly; the drovers have very little beyond their own responsibility to offer.

1616. Has that been owing to your having less confidence in the persons that apply to you for accommodation, or to its being more difficult for you to grant it?—More difficult for us to grant it; we have less disposable capital.

1617. Then it does not arise from your having less confidence in the persons that wish to borrow?—We have rather less confidence as well in the parties.

1618. Did the 1*l.* notes form a material proportion of your circulation?—About one half.

1619. When do you consider the 1*l.* notes to have been essentially withdrawn?—We could not re-issue them after the 5th of February 1829.

1620. Had the great diminution in your circulation from 1829 to 1830, when it fell from 90,000*l.* to 60,000*l.*, any connexion with the withdrawal of the 1*l.* notes?—Yes, it had; they were withdrawing gradually after that; the great misfortune was, that any day was named for putting an end to the 1*l.* note circulation; if they had been suffered to wear themselves out, or to die a natural death, it would not have done half the mischief, for this reason, that many ignorant people supposed that on the 5th of February 1829 they were obliged to bring them in. In 1828

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we had 120,000*l.* in circulation, and in 1829 we had only 90,000 *l.*; so that we had to withdraw about 30,000*l.* in that short time, from the mistaken feeling on the subject.

1621. In 1823 and 1824, when you issued 1*l.* notes, your circulation was 83,000*l.* and 87,000*l.*; and in 1830 it was 60,000*l.* after the 1*l.* notes had been withdrawn; how can the accommodation have been diminished four-fifths in consequence of that, when the amount of your circulation was only reduced about one-fourth?—I am not speaking correctly as to the four-fifths, but I mean, comparing the greatest circulation and the least, I should compare the year 1825 with the year 1831.

1622. What proportion of the 120,000*l.* in the year 1828, consisted of 1*l.* notes?—One half.

1623. Was there any Bank failed in the neighbourhood, that could account for the large increase of your circulation in the year 1826?—There was; we got in consequence some business that we had not before.

1624. Have any other Banks been established since in your neighbourhood?—I think not.

1625. Do you know what was the circulation of the Banks which failed and were withdrawn from that neighbourhood?—There was the Bank of Walters, Jones & Company, who suspended their payments; their circulation in 1825 was 100,000*l.*

1626. When did they fail?—In February last; and then their circulation was 70,000*l.*

1627. When was the Branch Bank established at Swansea?—In October 1826.

1628. Were there many Bank of England notes circulated in your district prior to that?—Very few.

1629. Would not that account for the contraction of your notes since the establishment of the Branch Bank?—In some measure.

1630. Were you the manager of it?—I became manager of the Branch Bank of England in 1826; I became connected with country banking in the year 1796; and I continued connected with country banking, and was a Country Banker till October 1826, and then I took the management of the Bank of England at Swansea, and from that time to last April I have been the manager of the Bank of England at Swansea, and now am again a Country Banker.

1631. You have returned to the other Bank at Brecon?—I have.

1632. Did that establishment continue at Brecon while you were at Swansea?—It did; the last partner died, and I was obliged to return.

1633. Do you ascribe the reduction which has taken place in your circulation in 1830 and 1831 to any local circumstances?—I cannot.

1634. Has it principally taken place at the Bank where your transactions are with the agricultural, or at the Bank where they are with the trading community?—Chiefly with the agricultural; it has been very considerable at Merthyr, but not so great as with the agricultural Bank.

1635. According to the rule of the Country Banker, to issue paper in proportion to the demand, may not the Country Bank paper get into excess?—It must very soon return upon him.

1636. Do you believe that the Country Bank paper generally increased 50 per cent in 1825 beyond what it was in 1823?—I cannot answer that question.

1637. Might it not amount to that, upon the principle you have stated as the rule by which Country Bank paper is issued?—It might.

1638. Therefore if it increased in that proportion in 1825, may not that increase have contributed to the commercial crisis of that year and to the bankruptcies of the Country Banks?—There cannot be a doubt it would.

1639. Do you conceive that the bankruptcies that took place of the Country Banks in 1825, was occasioned by an excessive issue of paper?—I rather think it must have been so.

1640. Might not that have been owing to a defect in the rule you have just explained to be the rule under which it is issued?—I do not know what rule they can have; the issue of the Brecon Bank depended on the demand for their notes.

1641. If the Country Banks watched the Foreign Exchanges, and if they made a rule that upon observing an indication of a falling exchange they should immediately begin to diminish their issues, might not that be a better rule than the rule the Country Bankers now act upon?—If it could be pointed out to each Country Banker, that if he issues his notes beyond a certain amount it would be injurious to

to him and put all his property in jeopardy, then I should say it would be a good rule; but when one Banker has a capital of four or five hundred thousand pounds, and another has a capital of fifty or twenty thousand pounds, and some none, I do not know how such a rule is to be formed.

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1642. Do Country Bankers take into consideration the circumstances under which trade is going on in their neighbourhood; whether there is much more speculation going on?—I think I can state what led in part to the increase of the Brecon Bank circulation in 1825; I was then managing partner. There are many of our fairs in November, and the pay clerk told me in November 1825, that he never remembered so many Country notes brought in by the drovers requiring Brecon notes in exchange, to go down into Pembrokeshire, Cardiganshire, and Glamorganshire to buy cattle; we did not refuse to give our notes in exchange for them, for they were payable in London, and by these transactions we increased our circulation very much. I said to the clerk, This cannot tend to good, there must soon be an end to this; this must be tending to mischief. But it was no business of ours, we did not lend this money, but they brought me ——— notes of 20*l.* 10*l.* and 5*l.* all payable in London; they came to me as a Country Banker, Will you give us your notes for these notes? The profit was certain to us, without any risk; we got our notes into circulation, we sent the others to London, and turned them to account; our Bankers allowed us interest for the time, or we placed the money in the funds. It was in that way that our circulation became so large.

1643. Did any Bank, whose notes you took, fail?—I do not know.

1644. Did you lose any thing by them?—Nothing; I noticed this at the time, and I told the clerk this must end in mischief.

1645. Was your reason for making that observation, that you thought there was a wild system of speculation going on?—That they were very loose in giving credit; that there was a wild system of credit.

1646. Would it not be prudent in any Country Banker, when he found such a system of overtrading going on, to depart from that general rule which he lays down, of issuing money according to the demand for it?—My operation did not increase the circulation in the country; I withdrew their paper, and issued my own instead of it; but I think if you could clearly point out to the Banker what was his duty under those circumstances, it would be his interest to adopt it.

1647. If there is a spirit of overtrading, and if every person who thinks proper to embark in it, can obtain money with facility at the Country Banks, is it not clear that the consequence of that must be, that kind of reaction that will lead to a fall of prices and panic through the country, and a run upon the Country Banks?—There is not a doubt of it.

1648. What did you give in exchange for the 10*l.* 20*l.* and 30*l.* notes of the ——— Bank?—Our own notes.

1649. Small notes?—Chiefly small notes.

1650. Would there have been any object in asking you to exchange a 20*l.* note payable at ——— for a 20*l.* note of your own?—Yes, because our note would have gone into a country where it was well known.

1651. Do you think the distress and failures in 1825 were mainly owing to the excessive issue of the Country Bankers?—I think the Country Banks assisted.

1652. Are you of opinion that any Country Bank can regulate its issues by a reference to the Foreign Exchanges?—As country banking is at present constituted, it is impossible; it is the Country Banker's interest to withdraw as much of his neighbour's paper as he can from circulation, and to put out his own.

1653. You are of opinion that the power of issuing paper depends in a great measure upon the power of issuing 1*l.* notes?—A great deal of it.

1654. Do not you conceive that the power of issuing 1*l.* notes, considering that there was no check imposed upon issuing paper from a reference to the Foreign Exchanges, must have mainly contributed to that excess of paper in 1825, to which you attribute the commercial distress and the failure of the Country Banks?—It must in a great measure.

1655. Was there a run upon your Bank at the period of 1825?—There was.

1656. Did that prove any expense to you?—We lost 10,000*l.* by the sale of public securities.

1657. Do you apprehend the amount of profit you made, by exchanging the notes from the midland counties for your own, compensated you for the loss you suffered afterwards?—No, I do not think it did.

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1658. Were the parties that brought the ——— notes to you for exchange, parties with whom you were usually in the habit of dealing?—No, the parties generally were strangers.

1659. They were not parties to whom you had refused accommodation upon their own paper?—No, they were generally ——— and ——— men.

1660. In the event of your foreseeing any difficulties or any distress, does not that induce you not to draw in your paper, but to keep a larger amount of means to pay any that may come in?—It certainly does.

1661. Although you did not upon any occasion find it necessary to reduce the amount of your paper in consequence of any apprehension, yet the apprehension leads you to keep a larger means of making it, either in London or in the country?—Yes, within our reach.

1662. Do the Country Bankers regulate their issues in any degree according to what they find to be the issues of the Bank of England?—Not in the least.

1663. Suppose that in a period of prosperity there is a great demand for paper, and that the Bank of England do not increase its issues, might not 6 or 700 Country Banks, acting upon the rule you have stated they do act upon, so increase the currency as to produce a fall of the Exchanges?—I think that would be the consequence; they would fill up any blank made by the Bank of England, to the extent the country required. If I had a large sum of my own paper in my house, and a man were to come with good commercial bills to me, I should discount them immediately, without considering the extent of the Bank of England currency.

1664. Would not the rule of the Country Banks, under those circumstances, lead to render the whole circulation of the country excessive, and thereby produce a fall in the Exchange?—The Country Bankers never take the Exchanges into their consideration.

1665. Suppose that necessarily would be the consequence, ought not they to take the Foreign Exchange into consideration?—I think they ought.

1666. Would the state of prices affect the amount of your circulation?—Yes, they do; because when cattle are double the usual price, the drovers take twice as much money to market.

1667. Then suppose that the Foreign Exchanges reduced the notes of the Bank of England, and that reduction of the notes of the Bank brought down the prices, would not the Foreign Exchanges affect the amount of your circulation?—Yes; indirectly, our circulation must be affected.

1668. There being a Branch Bank established in the neighbourhood of your Bank at Brecon, do you think it necessary to keep a less amount of gold or Bank of England notes in your chest at Brecon?—Much less.

1669. How many miles is the Branch Bank from you?—About 40 miles from Brecon. It is nearer to Merthyr, where our chief demand for gold is.

1670. You spoke of the operation by which traders from the midland districts presented to you in 1825 notes of those districts, in exchange for yours; did that operation prove any thing more or less than this, that a new branch of trade was springing up, and that men not accustomed to trade in that district were coming to trade in that district?—It proved that the cattle trade was a very profitable investment of money.

1671. You said that those notes were all paid, and that those were notes which those men had either borrowed, or that they had a right to draw, and that they brought them into your district to make purchases, and finding that in your district your notes were better accepted than the notes they brought with them, they brought them to you for exchange?—Yes, they did.

1672. Have not you noticed that kind of operation at all periods, at your Bank?—Not so much as at that time, because the drovers are generally natives of the country.

1673. Can you state what is the condition of the farmers and drovers with whom your business is connected, are they not in so prosperous a condition as they were?—They certainly are not. There was a person, a very considerable drover, from Carmarthenshire, who came to us to offer to conduct his business at our house; he had done business with Walters and Jones to the amount of some hundreds of thousands; he came to me, and wanted to know whether he could not do business with us upon the same plan. The first question I asked him was, for security;

security; he said, I have none to give. What, none to give! Have Messrs. Jones & Co. granted you those large loans without any security? Yes, without any security. Those Bankers had actually lent that man perhaps 5 or 7,000*l.* at one time, upon his own responsibility; they have the greatest confidence in those men, and I believe they seldom, if ever, deceive them. There is one Bank, the partners in which, originally drovers themselves, were in the habit of lending 8 or 10,000*l.* to purchase cattle, and the Bank sent an agent to receive the money at Barnet, where the cattle were sold.

1674. The first Bank you mentioned that was in the habit of lending 4 or 5,000*l.* without any collateral security, was the Bank that failed, was it not?—It was.

1675. Was that the general custom of doing business?—It was in part so, in that neighbourhood.

1676. Do you ascribe a part of the distress to the failure of that Bank?—Certainly.

1677. When did it fail?—In February last.

1678. Was it a prosperous period in your district prior to February last, for the drovers and farmers and traders and manufacturers?—The prosperous period was up to 1825.

1679. Was the year 1831 a year of prosperity in that district?—Certainly not.

1680. You said that you had yourself reduced your accommodations in your own Bank; must not a part of the distress that arose have been occasioned by the reduction of yourself and other Bankers that were solvent?—Exactly so; if we had increased our accommodation, we must have increased our capital.

1681. Is there any branch of trade in your district, manufacturing or shopkeeping or agricultural, that is otherwise than in a state of embarrassment and difficulty at this time?—The wool trade is rather low.

1682. Are the labourers in an easy and comfortable condition in that district?—I have heard no complaints; the wages are about 8*s.* a week for the farm labourers, and the day labourer has about 10*s.*

1683. Have not there been riots among the labourers in that district?—That was about a reduction of wages.

1684. Did the labourers that were engaged in those disturbances complain of the insufficiency of their wages to maintain them?—I do not think they were insufficient, at the present price of provisions.

1685. Do you allude to some disturbances which took place this Spring in Monmouthshire?—I do; the men consented to work at reduced wages, but a set of fellows called “Black Cattle” would not permit them to do so.

1686. You allude to certain disturbances on the borders of Monmouthshire and Montgomeryshire?—Yes.

1687. You have stated, that the circulation of Walters, Jones & Co. was 100,000*l.* in 1825, and that when they failed in February last it consisted of about 70,000*l.*; do you believe that any portion of that circulation, which is now annihilated so far as circulation is concerned, has been replaced by other notes or by gold, and if so, in what proportion?—I cannot state; not the whole of it, certainly; the Banks in the neighbourhood have taken their best business, and, of course, have issued to that amount.

1688. Do you happen to know that a very considerable trade is carried on in Carmarthenshire, in Cardiganshire, and Pembrokeshire, by the sale of cattle in the southern counties?—Certainly I do.

1689. Do you know whether great distress does not exist among those farmers, in consequence of the drovers being unable to borrow money in the way they have been accustomed to do, to collect the cattle, and drive them to the fairs in the southern counties?—Yes, I believe there was until now; but cattle are rather improved in price lately, the fairs have gone off better, strangers are come into the market.

1690. With respect to the operations of other Country Bankers, whose notes were presented to you in exchange in 1825, had you any reason for thinking that the Bankers who issued those notes conducted their business on principles less prudential than those on which your own Bank was conducted?—That was my idea at the time.

1691. Are your notes payable in London?—They were in 1825 payable in London.

1692. When you issued the great number of notes which you have stated, did you

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you find that they went speedily to London?—Many of them went to London, but we did not find any great demand for money in London.

1693. What is your present plan of exchanging notes in the neighbouring country towns?—We take each other's notes, and exchange, some weekly, some monthly, some once a fortnight, and we pay the balances in London.

1694. At what date?—On demand; it depends upon the agreement; when we take notes beyond a certain distance, the Bankers sending them agree to take a bill, perhaps at 21 days or more.

1695. Have you not always a difficulty in much extending your circulation, because other Bankers, of course, receive your notes, and return them to you if they are very common?—I think our circulation was much better when our notes were payable in London, than it is at present, when they are payable in the country, for the district in which they move now is very limited.

1696. What induced you to make the change?—I consider that it was very impolitic.

1697. Do you believe there is any want of circulating medium now in these agricultural counties in South Wales?—I think there is; they would absorb twice as much.

1698. Is there an indisposition upon the part of Bankers to advance money upon promissory notes?—A very great indisposition to do so.

1699. In point of fact, were not Walters, Jones & Co. men of very considerable property?—They were.

1700. Was not their failure mainly attributed to their advancing their notes upon securities which were not immediately convertible in the money market?—It was.

1701. Then, are the Committee to understand that your indisposition to take up that description of business arose from your thinking that the risk attending it was not adequate to the profit derived from it, and that it would not answer your purpose to realize your funds and your Government securities, for the purpose of adding to your capital, to transact that description of business?—Exactly so.

1702. Notwithstanding that, you are understood to state that the cattle market is improving?—It is.

1703. And new people are appearing in the market?—They are.

1704. How do they get accommodation?—They get good bills of exchange.

1705. Notwithstanding you have refused to give accommodation, they still find some means to obtain the accommodation they want?—When the market is rising.

1706. Have parties, apparently with fresh capital, come into the market, and by their purchases raised the price of cattle?—They have.

1707. What are the notes they bring?—They bring a good many Bank of England notes and others, but I cannot say exactly, having been so short a time returned to Brecon.

1708. Do you think the fluctuations of good and bad in the cattle or other trades, arise from the ordinary fluctuations of trade, or that they are operated upon by the state of the banking business in the country?—They were much operated upon by the withdrawing of 1*l.* notes.

1709. Would the reasons that have lately influenced you in refusing accommodation, have equally operated if you had been permitted to issue 1*l.* notes?—I do not know.

1710. You have stated that you do not regulate your issues by the Foreign Exchanges; if you were made aware from time to time of the amount of the issues of the Bank of England, and knew when they contracted or enlarged them, would you then regulate your issue accordingly?—No, I should be regulated by my own interest.

1711. You mean to say that if the Exchanges were even unfavourable, if one of your customers came to you with good bills, you would, notwithstanding the Exchanges being unfavourable, discount the bills?—Yes.

1712. Has not the iron trade a great effect upon you?—The iron trade has a greater effect than any other trade upon the district to which I belong; it is the great manufacture and staple of that district.

1713. Are you not materially affected by the competition with the Staffordshire iron?—We are.

1714. Do you think there would be any great advantage in increasing the produce of iron in the neighbourhood of Merthyr?—If we could increase the price, we could get as much iron as the world requires.

1715. Would

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1715. Would not the tendency of an increased issue of paper be to increase speculation and to multiply the produce of iron?—Certainly it would.

1716. Would there be any permanent public advantage in that, unless the demand for iron was increased in a corresponding degree?—I should think there would not.

1717. And, therefore, the apparent prosperity would be fallacious; and unless the market was increased, there would be an ultimate stagnation?—Yes.

1718. Supposing there was a corresponding increase in the production of Staffordshire iron at the time, in consequence of an increased issue of paper in Staffordshire, would not that also tend to increase the distress of Merthyr Tydvil, supposing the demand for iron was not increased?—I think that must be the consequence, but we were never in the habit of making advances on iron. When they bring me good iron trade bills, I discount even at six months after date.

1719. A manufacturer of iron, bringing you good security, would procure accommodation from your Bank, would he not?—Not at the present moment.

1720. Would he in ordinary times?—I think he might, if he could promise repayment in a limited time.

1721. Do you mean to say that at the present time a manufacturer of iron, bringing you good bills, would not receive accommodation?—Yes, we would discount good bills for him, but we would not suffer him to overdraw his account.

1722. Is there a considerable stock of iron at Merthyr Tydvil?—An immense stock.

1723. Is there any difficulty in paying the workmen?—There appears to be none.

1724. Are they paid in coin?—Yes.

1725. Are they paid 10*s.* a week?—No, they get more than that; those are the agricultural labourers that get 8*s.* and the day labourers in the works 10*s.* and some of them get 12*s.*

1726. Do they get that through the year?—Yes.

1727. Do they get any allowance in addition to the 10*s.*?—I do not know.

1728. Were those persons who were the most active in promoting the late disturbances, in actual distress?—I do not think they were.

1729. Did they want to regulate the price of wages?—They did.

1730. Does it not often happen that at a time the workmen are receiving the highest wages, the disposition to combination, and to prevent persons from working at a lower rate, is most prevalent?—We had nothing of this distress at the time; the wages were high, and we never heard the complaints that are now made; I know that, when wages were very high, the men had their ducks and green peas, and that many luxuries that were too dear for the iron masters, went to the men.

1731. May not the distressed state of the iron trade be attributed to over-speculation on the part of the proprietors of the iron works?—There certainly is more iron made than the market will consume.

1732. You have stated, that supposing a bill of a manufacturer upon London were brought to you, you would at once discount it, without reference either to the Foreign Exchanges or to the state of the paper of the Bank of England; would you in the same way either make an advance, or discount a promissory note of a drover who was known to you, that note not being payable in London?—Yes, I should.

1733. Without any reference to any circumstance but the credit of the individual?—Yes; the Exchanges have no influence whatever on our banking transactions, any further than as they affect prices of different articles.

1734. In managing your circulation, you look at nothing but the credit of the paper that is brought to you?—Exactly so.

1735. And you do not consider whether that paper is an easily convertible security or not, as long as the credit of it is good?—We prefer the convertible paper to the other, and we charge a higher commission upon the unconvertible paper.

1736. But you would not hesitate to discount the promissory note of a drover who is known only to you, and therefore whose note is not convertible security, provided you were satisfied with his credit?—Certainly.

1737. Under any circumstances?—Under any circumstances.

1738. Even if the Exchanges were very much against this Country, or the cir-

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ulation of the Bank was diminishing?—As I said before, I never took it into consideration.

1739. Are you not aware that an unfavourable state of Foreign Exchanges, or a large contraction of the Bank of England's issues, is generally followed by a fall in prices, and therefore would produce an unprosperous state of trade?—I am fully aware of it.

1740. Would not that therefore lead you, if you saw either an unfavourable state of Exchanges or a large contraction of the Bank of England's issues, to anticipate an unfavourable state of trade, and therefore induce you to be cautious in making your issues to those drovers?—I was very cautious in 1825.

1741. Then if you were cautious in 1825 from those considerations, does it not follow that you had, to a certain extent, some regard to the state of the Foreign Exchanges?—No, it was not with reference to the Foreign Exchanges, but to over-trading.

1742. How do you judge of over-trading, or an excessive spirit of speculation?—Seeing so much money afloat in the same business; and when I see 20 drovers come down where I only used to see five or six, I must consider that as very extraordinary.

1743. Might not that arise from the demand?—The demand does not increase so suddenly as that.

1744. When you speak of the prosperous state of trade up to 1825, and the unprosperous state afterwards, do you mean that there was an increase in the price of stock up to that time, and a fall in it afterwards?—That is what I mean.

1745. You have stated, that there is an immense accumulation of iron at Merthyr; do you consider that that has arisen from any facilities which you, as a Banker, have given to the trade at Merthyr, or that it arises from the capital of the proprietors?—From the capital of the proprietors.

1746. Has the iron trade been much extended at Merthyr lately?—No, it is upon the decrease.

1747. Since when?—I suppose since I have been at Swansea; but I cannot state exactly.

1748. When you say that you are ready to discount bills brought to you, if you consider them good bills, do you not also take into your consideration the amount of your own liabilities, the amount of bills you have out, and also the amount of assets which you may have to answer those outstanding demands before you increase your discounts simply upon the credit of the individual that applies to you?—We have never been in that situation; we have never been offered bills to any large extent beyond our regular business.

1749. You have said that your advances have been very considerably diminished since the 1*l*. notes were called in, is it that you have had fewer applications for advances?—We have had applications, but we have declined them.

1750. In consequence of your not being permitted to issue 1*l*. notes?—And our capital being reduced.

1751. Have you an account with the Branch Bank at Swansea?—We have.

1752. Have not the other Banks in that district accounts with the Branch Bank?—Several of them have accounts.

1753. Is that Branch of the Bank a great convenience to the Banking Interest in South Wales, or otherwise?—A very great convenience in one respect, in the supply of the precious metals and Bank notes when we want them, for the Branch Bank is very accommodating; for a payment in London, they will let us have any sum we want in Bank cash or notes.

1754. You were asked if the inconvertibility of the promissory notes of the drovers did not arise from the regulations of the Bank of England; does not it arise from the dislike you have to send bills either to the Bank of England or to the money market, with your own indorsement, for discount?—It does.

1755. And not from any regulations the Bank of England have established?—Certainly not.

1756. Do you issue Bank of England notes?—We issue to any one that requires them; but we do not pay cheques in Bank of England notes.

1757. Have you any objection to state the amount of reserve which you think it necessary to keep, as a provision against your circulation, in bullion and Bank of England notes?—It is much smaller than we formerly kept before the restriction of cash payments in 1796; then we kept about a fifth in gold and silver, but at present it is about from one-tenth to one-fifth; we have the Branch Bank at hand.

1758. Do you keep less since the establishment of the Branch Bank?—Very much less, I should think to the extent of one-half; at twelve hours notice we can get any sum we require.

1759. What is the amount of the notes you principally issue?—£.5. notes.

1760. Was the period for which the 1*l.* notes, when you issued them, remained in circulation, greater or less than the period of the 5*l.* and upwards, since the calling in of the 1*l.* notes?—They (the 1*l.* notes) passed rapidly from hand to hand, and they were constantly in and out.

1761. Can you state whether upon the average the 5*l.* notes or the 1*l.* notes were more quickly presented for payment?—The notes payable in London were out the longest, and the local notes came in much more quickly than the others; I think the 5*l.* notes, which were payable in London, were the longest in circulation.

1762. You have stated that an increased issue of paper money would have the effect of encouraging speculation; if an increased issue were made by you in that district, do you think it would have the effect of increasing the operations in the manufacture of iron?—I do not think that, at the present price of iron, any thing would tend to increase their speculation in that way.

1763. If it raised the prices, would it encourage what you call speculation?—Undoubtedly. I was not alluding to iron in my former answer.

1764. Do you think that the increased issue of paper money would so act as to encourage the operations of business in your district, without the same thing producing similar effects in every other district?—The effect must be similar every where.

1765. If increased speculation went on in every other district at the same time that it went on in your district, would it not produce a greater consumption of the productions of your district?—Undoubtedly.

1766. You have spoken of a very large stock of iron existing in the present year, do you recollect ever hearing of a very large stock in the year 1825, the year of great speculation?—I do not think there was much stock in hand then.

1767. Then the quantity of iron made in 1825 was consumed?—I conclude it was.

1768. Then it is presumed that you would hardly call that speculation, but it was a manufacture of iron by orders at profitable prices?—Exactly so.

1769. Would you not conceive over-trading and speculation to be a trade which turns out to be unprofitable and disastrous?—Yes.

1770. Would not you think there is more over-trading now than there was in the year 1825?—There is more iron made than is now required; the farmers consumed a great deal of iron, and they were very lavish in their consumption in the good times.

1771. Then there was no over-trading in the iron trade at that time?—No.

1772. If the issue of paper money should at the same time that it encouraged the manufacture of iron, encourage also the operations of the farmer, and cause the farmer to consume more iron, although that operation might be called speculation, might it not be profitable?—Certainly.

1773. Will not the farmer go on consuming an additional quantity of iron, so long as the price of corn he obtains is on the increase, and gives him a profit for his investment?—If he gets a good price for his produce, he would of course consume more iron and other articles.

1774. You have stated that up to the year 1825 there was a gradual increase in the price of stock; do you not think that this gradual increase in the price of stock, up to 1825, may have been one of the causes of that increased consumption of iron?—It may.

1775. Do you think the increased issues of paper at that period were at all concerned in the increased price of stock that took place?—I dare say they were.

1776. Must not there be some limitation of the increased price that takes place in consequence of the increased issue of paper?—There must.

1777. Therefore would it not prove that although the trade was prosperous up to the period of 1825, yet that it must necessarily be followed by an unprosperous period if the increase of price arose from an augmented issue of paper?—Certainly.

1778. Then does it not follow that the unprosperous termination of 1825, arising from the reduction of paper, might not have taken place if there had been no

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necessity for the reduction of paper issues which took place in 1825?—I do not know what would have been the consequence, prices must have a limit.

1779. But must they necessarily have sustained such a great reduction?—Not so great a reduction as they did.

1780. Do you keep an account with the Branch Bank at Swansea?—We do.

1781. Upon what footing do you keep that account?—They supply us with gold and silver for payments in London; and they discount our bills at a low rate of interest, if we have occasion for it.

1782. Do any of the Banks in your neighbourhood transact their business with the Bank of England upon the plan of not issuing their own notes, but circulating Bank of England notes?—There are two at Swansea that do business upon the plan of circulating Bank of England notes; and the consequences will be, that wherever the Bank of England is established, their notes must have the preference *in times of difficulty*, and all other notes in that town will be at a discount or in discredit in consequence of the issuers of them being run upon; and eventually all other paper must be withdrawn in all towns where the Bank of England Branches are established; at least it is not worth the while of the Banks to issue their notes; that will be the case at Bristol, and wherever they are established. At Swansea, when I came there I found them issuing notes, but I soon let them know that it was not their interest to issue their notes, for they could not compete with the Bank of England paper, and they withdrew their circulation.

1783. Are you of opinion that a Country Banker will not be able in a time of difficulty to circulate his paper in competition with the Bank of England paper, that the Bank of England paper would finally drive the others out of circulation?—Certainly.

1784. You say that will be the case in those places where the Bank of England have a Branch; but in the surrounding places, situated for example as your Bank is at some distance, will the Bank of England paper drive your paper out of circulation, or will the distance of the Branch from you enable your paper to circulate?—The distance of the Branch will enable us to circulate.

1785. Will it not circulate with greater confidence in consequence of the vicinity of the Branch Bank?—Decidedly.

1786. Are there not branches of business which a Country Banker performs, and means of circulation which he employs, which the Bank of England could not employ, from the parties not being able to give sufficient negociable securities?—At present the Branch Banks do not much compete with the Country Banks; the Bank of England, upon their present system, can never do the business that is done by the Country Banks; in the first place, they give no interest upon deposits; in the next place they advance no cash credits, nor do they discount promissory notes.

1787. Then will not the effect of the Branch Banks of the Bank of England driving out the Country Bank circulation, be in part to prevent the traders in those parts from getting that accommodation which they now get from Country Banks?—The Country Bank business is different in a city from what it is in the country, they seldom make advances upon promissory notes in large cities; the business done by Country Banks in large cities is very similar to the business done by the Bank of England itself.

1788. Before the Bank of England established the Branch at Swansea, did the Bankers established at Swansea give that accommodation which you say is peculiar to the Country Bank system?—They did. Swansea is a small place.

1789. But you say that the effect of the Branch Bank being established at Swansea was to prevent their being able to issue their paper?—It was.

1790. Has it prevented their being able to continue to give that accommodation?—I do not think it has, because the Bank of England have given them every facility; they give a preference to the Bankers that issue Bank paper, they discount for them at a low rate of interest.

1791. You stated, that in consequence of your not being able to issue 1*l.* notes, you have been obliged to lessen the accommodation you formerly gave; would not your ceasing to issue any notes at all still more contract your power to give accommodation?—It certainly would to that extent.

1792. Has it not diminished the ability of the Bankers in the town of Swansea to give accommodation?—Not so much at Swansea; Swansea is a place surrounded by

by a large manufacturing district, and they have large deposits at Swansea and in the neighbourhood.

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1793. Was there any Bank at Swansea that has failed recently?—In 1825 there were two that failed.

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1794. Upon the terms of accommodation given by the Bank of England to the Country Bankers, would they be able to give the same accommodation to the country traders under the new system, which they were accustomed to give under the old system, before the establishment of the Branch Banks?—Not to that extent.

1795. In what proportion would they be obliged to make a reduction?—They would be more select as to the persons they lend their money to.

1796. Why would they be more select, is their profit much reduced?—Their profit is reduced by what they would pay to the Bank for the accommodation.

1797. How much less is the profit which they make under the new system, than the profit they used to make while they issued their own notes?—If the Bank discount those notes for me at 3 per cent, and I get 5 per cent from the individual, my profit is 2 per cent, with the commission. Formerly, when I issued my own notes, my profit was nearly the whole of the 5 per cent, with the commission less the stamps and expenses.

1798. What is the expense of issuing your own notes?—I am not prepared to state that; I should think the profit upon 5*l.* notes now, is from one and a half to two per cent.

1799. Does not the Country Banker constantly afford accommodation where he knows his security to be good, where the Bank of England, from being tied down to certain forms of proceeding, would not be able to give the same accommodation?—Yes.

1800. Therefore, if by any arrangement the Bank of England were able entirely to drive out the Country Bankers, would there not be a considerable class of industry to which the accommodation of the Bank of England could never reach?—Certainly.

1801. Would not the Country Banker, supposing he were to receive the notes from the Bank of England, be enabled to afford the same accommodation much as before, less any difference between the profit he made upon issuing his notes and the profit he made under the terms of his engagement with the Bank for their notes?—When he gets money from the Bank of England, the money must be repaid, and he must take care that the persons he lends it to are punctual in the repayment.

1802. Must not the Country Banker be equally prepared to make the payment in the other case?—He can re-issue his own notes; if the Bank of England enter into an agreement with me to discount notes for nine months, I must repay them, or withdraw those at the end of the nine months, whether I am paid by the persons that I lend the money to or not.

1803. Must not you, in the case of issuing your own notes, be prepared to pay your own notes?—They are not so certain of coming in on a named day.

1804. You are now supposing that you have an agreement with the Bank of England terminating at a fixed period, and not supposing that the Bank of England would make you an advance of notes upon security, to remain out as long as you please?—No; then I think it would make very little difference. . . . I beg leave to state that I have suggested a plan that I think would be of great benefit to the district to which I belong: In consequence of the reduction of the capital of the Country Banker, and his want of confidence in the neighbourhood, he does not and he will not now make those advances which are necessary for the necessities of the country; therefore I should recommend that Joint Stock Companies, Chartered Companies, with limited responsibility, should be formed in that district; I should take the district to be Herefordshire, Monmouthshire and South Wales, the centre of which would be at Brecon, and I have been requested to take the management of it upon these terms, that the capital should be 600,000*l.* half of which should be paid down, and that we should do business with the notes of the Bank of England only. It was very favourably received by a number of influential gentlemen in that county, who would take shares to a large amount; and the plan I should go upon would be this, I should take deposits at any interest to two and a half per cent, which I should have to a large amount; the deposits now in the Branch Banks would be immediately withdrawn in that neighbourhood, and placed in the new chartered Bank, because the depositors would have an equal confidence

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dence in the new Bank that they have now in the Branch Bank of England. It is my opinion that in the event of this Chartered Company being established, the deposits which are now deposited in the Branch Bank at Swansea, would be then deposited in this new chartered Bank established at Brecon, for this reason, they would get two and a half per cent interest, whereas they get none at the Bank of England. This money I would lend to the country at 5*l.* per cent upon promissory notes, holding back the two and a half per cent as a sinking fund, to cover any loss that might be sustained in this particular business, and I would discount the trade bills of the country to a very large amount. The Bank of England do not discount bills at a longer date than three months, whereas the iron trade bills of South Wales are drawn at six months.

1805. Then in fact this Bank, of which you propose the establishment, would be a Bank of deposit and of drawing, acting with the paper of the Bank of England, receiving that paper at the rate of two and a half or three per cent, and making its profit by the higher rate of interest, namely, five per cent, at which you discounted; and you conceive, that supposing you were allowed to establish a Bank of that description with limited responsibility, you would have no difficulty whatever in inducing the capitalists and gentlemen of the country to enter into that Bank, and form themselves as partners?—I believe there would be very little difficulty.

1806. And you have no doubt that the profit that would be derived from the operations of the Bank, namely, the profit received from the difference between the sum paid to the Bank of England for its notes, and the sum received for discount, would be amply sufficient to induce gentlemen to enter into that Bank?—We should require nothing from the Bank of England whatever.

1807. You deposit your capital in securities with the Bank of England, and you would be receiving interest upon that capital, which would be at least equivalent to the interest you paid to the Bank of England?—Yes; I should establish branches at all the principal towns, giving to the Country Bankers the option of becoming agents in the towns when they are established, and taking to their banking concerns upon equitable terms.

1808. Would not this Bank extinguish all the banking concerns in the neighbourhood?—It would eventually.

1809. Have you any doubt that this Bank, so established, would afford equal accommodation, at least to the neighbourhood, with the Banks that are at present established?—Twice or three times as much.

1810. You say that the Bank would have a profit of two and a half per cent upon the accommodation it gave?—Upon one particular kind of business, the loan account.

1811. Do not the present Country Bankers receive a larger profit than that upon the accommodation they give?—They incur very large risks; I could act very differently, and upon fixed rules, as manager of a Bank of this kind, and this I cannot well do as a private Country Banker.

1812. Would not the success of this plan depend upon the Bank of England continuing to advance money at three per cent?—No, it would have nothing to do with the Bank of England; I should not require their advances at all, if I had a capital of 600,000*l.*; I have no occasion to go to the Bank of England for a shilling, I should have more capital than I knew what to do with.

1813. You propose that you should use the paper of the Bank of England, and you would obtain that paper at a certain rate of discount?—If 50 per cent of my capital is paid up, it must be paid in either in cash or in notes of the Bank of England, or local notes, which are convertible into the notes of the Bank of England at pleasure; but I shall have no occasion to go to the Bank of England for any accommodation.

1814. In what would the profit of this Bank consist?—In discounts, and in loans to the country.

1815. That is, in the difference between the rate of interest they would pay upon deposits, and the rate of interest they would receive upon discounts and loans?—Yes.

1816. If you give two and a half per cent upon deposits, and lay by two and a half per cent as a sinking fund, and charge but five per cent, in what does the profit consist?—That is upon one transaction only.

1817. On the discount of bills what do you contemplate charging?—In a great measure it will depend upon the bills themselves; upon bills of six months I should charge five per cent, upon bills of three months four per cent.

1818. Do

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1818. Do you conceive that upon the discount and loan business you would be able to pay a dividend to the proprietors, and pay also the expense of the establishment?—I do.

1819. To what extent?—My idea was about 10 per cent, from the calculations that I have made.

1820. Is there a great surplus of bills for discount in South Wales?—There is.

1821. You of course contemplate taking only good bills?—Certainly.

1822. Have not good bills been discounted in London at three and three and a half per cent?—They have.

1823. In that case, could you have made a profit by discounting alone, independent of deposits?—Yes, I think we could, because it is a great convenience to have money in the country.

1824. Would that convenience be equivalent to one per cent interest discount above the London market?—No, I do not think it would.

1825. What security would the Public have, supposing your responsibility was limited for the due performance of the duties of the situation?—They would have a paid capital of 300,000*l.* the best security in the world.

1826. What security would there be that you might not issue 350,000*l.*?—We do not mean to issue our own notes, we should only issue for good bills.

1827. How would this Bank, if constituted as you state, obtain notes of the Bank of England to any extent that was necessary?—Any person who took a share in the concern, would have to pay 50 per cent immediately into the Bank of England for the use of the manager of the concern, and that would be paid to them by the Bank of England in notes or cash, as he required.

1828. Then you propose to obtain notes from the Bank of England, by paying up that portion of capital that might be equal to the notes that you demanded?—Yes.

1829. Supposing you had the means of circulating four times the amount of your capital, how would you get the notes of the Bank of England?—The Bank of England would advance to a Company of that kind any thing they required.

1830. Of what nature would be the bills which the Bank of England would discount?—Any thing indorsed by a Bank of that description; they would not look upon the face of the bill at all.

1831. Then you contemplate a total change in the system upon which the Bank of England conducts its affairs?—Of course they would make that change in favour of an establishment such as the intended one, which would be so entirely different from any private concern; the indorsement of a concern of that kind must carry weight. What the Bank require is, that the paper they take should be fully secured, and as far as regards private individuals, they require that there should be two good securities to every bill discounted, and here there would be much more than that.

1832. Do you apprehend that the only rule which governs the Bank of England in its issues, is the security upon which they make those issues?—No; we are tied down by other rules in the country at present, because every discount account at the Branches is limited to a certain amount.

1833. Then as this rule governs the Bank of England, would they not adhere to their own rule as at present existing, rather than extend it to the system you have suggested?—They might limit us perhaps to 500,000*l.* or a million.

1834. Then how would they in case of a pressure for specie, be enabled to sustain the demand that might arise upon them from so large an issue of paper by a Bank circumstanced such as that you propose?—That is a question I cannot answer; that is their business, not mine.

1835. Is not that so important a part of their business, that in looking to it, they would check the amount of their issue?—I dare say they would, to a small extent.

1836. You think the new Bank you contemplate would give accommodation to the Public, to two or three times the extent that the present Bank would give; do you think they could do it without encouraging the speculation and over-trading that has been referred to?—They would increase speculation.

1837. You said that the gentlemen in your neighbourhood would willingly embark in this new Bank, if they had a limited responsibility; do you think that gentlemen might be induced to embark in such a Bank, for the purpose of becoming debtors to the Bank themselves?—Some of them might.

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1838. Is it consistent with your knowledge, that when the Bank of Messrs. Jones and Walters failed, many of the country gentlemen placed their names down as directors of a similar Bank to what you propose, the greater part of whom were debtors to the Bank of Walters & Jones?—It would be unfair in me to answer that question.

1839. Do you think the annihilation of the Country Banks in that district would be an advantage or a detriment to the country?—I think we should do the business of the country cheaper and better, and give much better security for money in our hands.

1840. Would not the necessity that the Country Banks would have of calling in the various investments they have in the neighbourhood, cause a very serious inconvenience in the country?—I meant that a part of my plan should provide for that difficulty.

1841. Then you mean, that you would be willing to take off from the Country Banks those investments they now possess?—I did intend it.

1842. In case you issue none but Country Bank notes at a considerable distance from London, how do you contemplate that the persons holding those Bank notes should become possessed of gold whenever they wanted it?—We should always pay them in gold freely.

1843. Would you stipulate upon all occasions to pay the Bank of England notes in gold?—No.

1844. How long has your Bank been established at Brecon?—Since the year 1778.

1845. If such a Bank as you propose were to issue its own paper instead of the paper of the Bank of England, would it not be able to afford to charge a less rate of interest upon its advances, and to give a larger rate of interest upon deposits?—Perhaps it might; but I would have nothing to do with a chartered Bank issuing its own paper.

1846. Why would you have nothing to do with a Bank of this description, issuing its own paper?—I think such an issue would lead to mischief; I think it leads to over-trading.

1847. Do you apply that observation generally to Banks issuing their own paper, or to such a Bank in particular?—Without they issue with very great prudence, the private Bankers are checked by their want of credit, and not being known at a distance; whereas this Bank would not be checked in that way.

1848. Are not they checked also by the knowledge, that the whole of their property is liable to their issues?—Yes; and by their notes being convertible into gold at the will of the holder.

1849. Would not a Bank with a capital of 600,000*l.* be a stronger Bank than many of the Banks that now circulate their own paper?—By much; the country would have immense confidence in a Bank so constituted.

1850. Do you think that if in the year 1825 all the Country Banks had been Joint Stock Companies issuing their own paper, the bankruptcies which then occurred would have taken place?—I do not know what effect they would have had; issuing their own paper, they would have been competing with each other.

1851. If they had issued their own paper, do you think there is any reason why they might not have been as ill conducted as the private establishments were, and have led to the same consequences?—They might.

1852. By issuing Bank of England paper, you think they would not have been led to that speculation which caused the distress?—I am of that opinion.

1853. Are you of opinion that a Bank that does not issue its own paper is entirely safe from any chance of bankruptcy?—Much more so than Banks issuing their own paper.

1854. But you do not consider that it is a complete security against bankruptcy?—Certainly not.

1855. Are you of opinion that it is impossible that Country Banks can be allowed to issue their own paper with security to the Public?—Not where the partners are limited as they are at present.

1856. If the number were unlimited, would it be safe?—Certainly there would be more security to the country if they were unlimited.

1857. Would not the principle of this Bank that you contemplate be the same whether it took its deposits of capital in specie or in Bank of England notes, and whether it paid in specie or in Bank of England notes?—It would make no difference.

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1858. May not Country Banks which are beyond a certain distance from London, now consist of as many partners as they choose, but with unlimited responsibility?—Yes, under the Act of 1826.

1859. Do you not consider that in the district to which you allude, the Public are as secure or more secure with Country Bankers with unlimited responsibility, than they would be with a Bank established as you propose with a limited responsibility, taking into consideration the proportion of their circulation?—I do not think the Public would be so safe, particularly if the intended Bank was obliged to publish its transactions.

1860. Do you think it is a safe plan for the country to adopt, to have Joint Stock Companies nominally worth 600,000*l.* while there is only 300,000*l.* of capital paid up with a limited responsibility?—Certainly I do.

1861. Are you aware of the system of Scotch banking?—I know something of it.

1862. Is not that the system of the Scotch Banks?—No, they issue their own paper, and they issue small notes.

1863. Do you think it is compatible with the general interests of the country that the whole circulation of the country should be under the direction and controul and regulated by the Bank of England, as it would be if your plan was adopted?—I think it would be a fortunate thing for the country if it were so.

1864. Are you aware that great failures have taken place under the exact system of banking you have proposed, in America?—I am not aware of it.

1865. You have stated that you reduced your reserve of cash and Bank notes considerably in consequence of the establishment of the Branch Bank; do you not apprehend that you expose yourself to great risk by doing so, in case of a future panic?—No.

1866. Do you feel confident that if a panic shall arise, and great demand be made upon you for changing your paper into gold, that you would be able to obtain it from the Bank of England with facility?—In the event of another panic I would not pay one sovereign away, I would give them Bank of England paper.

1867. Do you mean to say that in case of a panic, a person bringing your paper and requiring gold for it, you would refuse to pay gold?—Not for small sums; but if I saw that he was labouring under alarm, I would say, Here is the best security you can have.

1868. Are you not legally bound to pay in gold?—Yes, he has his redress of course.

1869. If you were to refuse to pay your notes in gold, would not that refusal be an act of bankruptcy?—I am not aware that it would.

1870. What is the engagement in your notes?—"I promise to pay the bearer five pounds."

1871. Is payment by Bank of England notes a legal tender?—It is not; I would run those risks.

1872. What impediment do you apprehend there is to prevent those Branch Banks of the Bank of England from conducting their business upon the same system that the Country Banks do?—They may if they choose it; but they would incur very great risks by so doing.

1873. Have not they the same means of avoiding risks as the Country Banks have?—No; they have agents that know little or nothing of the country. It is impossible for the agent of a Branch Bank to do all the business of South Wales, and to know every body in South Wales.

1874. Then you do not apprehend that the Country Banker will be superseded in his business by the Branch Banks?—Not at all, upon the present system.

1875. Do you feel confident that such a Bank as you have proposed to establish would afford all that accommodation depending upon the personal knowledge of the parties, and exercising discretion in making advances upon personal security, that the present Country Bankers do?—It would do so to a much greater extent in all its branches.

1876. Would not the branches be obliged to be conducted by agents, who would be limited as to the discretion they exercised?—Yes, but there would be a central Board of Management.

1877. Must not such accommodation be given upon the occasion?—There would be Directors, who were proprietors, attending at each of the Branches, and I am positive it might be carried into effect.

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1878. In your present Bank, is the capital you employ at interest and in various ways, employed entirely in the country, or is any portion of it employed in the London market?—We generally keep a part of it in the Funds or in other convertible securities.

1879. From the portion unemployed in the Funds or in the London market, do not you derive a very inferior interest as compared with the other portion?—Yes.

1880. Did you ever mention this plan of yours for the establishment of a Bank to any of the Country Bankers in your neighbourhood?—I have, and several of them are favourable to it; and I believe they would become agents to it, if it were established.

1881. Do you think it would be impossible to get partners, if it were established with an unlimited responsibility?—I think it would be impossible.

William Ward, Esq. called in; and Examined.

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1882. WERE you a Director of the Bank of England previously to 1825?—I have been a Director of the Bank of England since April 1817; I was out of the direction during the last nine months of the year 1825, but I have pretty good recollection of what occurred during that time, for communications were sufficiently made to those that are not exactly in the direction, to let them have a general idea of what passed; but I can pretty well answer as to the circumstances, because they were of more than ordinary interest at the period.

1883. Can you state at what time the drain of bullion upon the Bank of England commenced?—The first indisputable indication that the Bank had of a demand for bullion for export was in November 1824; but the greatest drain that existed at any period was about the period of October and November 1825. During October and November, it is pretty well ascertained that it was for internal purposes; there was some drain of gold before November 1824, and it could not be ascertained in what proportion it might be for home use or for exportation, excepting that the Exchanges had become rather unfavourable; but in November, it being in bar gold, it was then ascertained that it must have been for exportation.

1884. Was there no drain previously to November 1824?—The 18th of November 1824 was the exact day.

1885. Was there also a demand for silver?—I do not remember.

1886. Was there no bullion drawn out of the Bank, either in bar or in coin, previously to November 1824?—There had been some coin withdrawn from the Bank previously to that period, but not in such a way as to render it clearly ascertainable that the whole was for foreign payment; the probability is that a proportion of it was for foreign payment and the remainder for home use; but the moment that gold in bars was called for in November, it became a clearly established fact that the Exchanges were getting on the unfavourable side, and that we were to prepare ourselves for some issue of gold.

1887. Was there any large drain of gold from the Bank in August 1824?—No, I do not think there was; there is the usual supply and demand about the time of the payment of the dividends, for internal purposes, but I do not think there was a large demand at so early a period as that; there was a period of unfavourable Exchange in the Autumn of 1824, and towards the latter part of that year it assumed a more serious character.

1888. Can you state what the amount of Bank notes in circulation was at the commencement of April 1824?—At the latest period before the issue of the April dividends, we had 19,300,000*l.* I have taken it purposely at that period, as being more suitable for just comparison.

1889. What was the amount of Bank notes in circulation at the beginning of October 1824?—The dividends are paid five days later in October than in April, and on the 6th of October it was 19,400,000*l.*

1890. Did the Bank take any steps, in consequence of the appearance of a drain of bullion to go abroad in November 1824, to counteract any effect upon the Exchanges?—I do not think there was any immediate measure proposed, but it was known at the time that circumstances were already in progress tending to have that effect, and therefore I do not think that any fresh effort was necessary. There is one of a different character from the rest. In October, the Bank supplied Government with a considerable sum to pay the dissentients from the four per cent arrangement when they were reduced to three and a half per cent, and under the agreement the Government was to repay the Bank quarterly certain portions

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portions of that advance, and therefore we had a knowledge that money was in the course of return to the Bank under that head, and likewise that there would necessarily be a reduction in the amount of issues by reason of notes that became exchanged for gold, so that the effect was in a course of accomplishment, whether in the just degree or not I do not assert at this moment, but the effect was in the course of being produced, of a reduced amount of circulation to counteract the unfavourable exchange.

1891. What was the amount of notes in circulation at the commencement of January 1825?—20,700,000*l.* being the point apparently most discrepant, as to the principle of regulating the issues.

1892. Then, although the Exchanges were against the country from November to the end of the year, the issues of the Bank of England had increased about a million?—1,300,000 *l.*

1893. Can you state what was the amount of the dissentient four per cents?—The original agreement was for a very large sum; the sum actually paid was about five millions sterling. The Bank did not take any very active steps in that quarter to reduce its issues; but it is necessary to state that the last quarter of the year is invariably the most unfavourable for effecting such a purpose; it is the period of the year before Christmas, when money is rather scarce, and when there is very little exported; it is not the most animated time of the year in trade, and it is not, under any circumstances, a quarter when I should prefer acting too tenaciously upon that principle of reduction. But I may be allowed to state that as far as it is possible to have the means of judging of whether it was or was not satisfactory, on the meeting of Parliament in February 1825, Lord Liverpool did distinctly express in the strongest possible terms his confidence in the state of the currency; and it is the only time, either before or since, when I recollect a Minister of this country advert to the soundness of the currency upon such an occasion. After detailing the great prosperity at which he considered the country arrived, he superadded, as the most satisfactory part, the sound state in which he considered the currency to be. I state that to show that if there had been any thing strikingly wrong, I think the probability is that he would not have made that assertion; I am not thereby meaning to say that I hold him responsible for that, but I do not think that assertion would have been made if in his estimation there had been at the time any thing materially discrepant in currency deserving of comment.

1894. In ordinary circumstances, where the Exchanges have appeared to turn against the country, would the Bank have been inclined to reduce the amount of issues?—It is the usual practice of the Bank; it is one consideration generally regarded and generally acted upon, to reduce the aggregate amount of issues in the event of the Exchanges being unfavourable.

1895. Were there any peculiar circumstances at that period which counteracted that usual and ordinary course?—There was some call for currency, unavoidably growing out of a financial measure that had taken place.

1896. Will you state what that was?—It was rather of a peculiar character; the Chancellor of the Exchequer at that day, the present Lord Goderich, made inquiry of the Bank, as early as January 1824, whether they would undertake to supply a certain sum, in case it should be wanted, in connexion with a financial measure, that of reducing the 4 per cents to 3½. At the time he made that application, the Exchanges were in favour of this country; it was peculiarly desirable for all parties that an extension should take place; indeed, a too deficient circulation had been much complained of for two or three years previously to that, but unfortunately the undertaking took place in January, and the carrying it into effect did not take place till October; but then fortunately, in an opposite direction, the revenue had been found to improve so much, that a great deal of money had been brought to the Bank, for the purposes of revenue, that most materially qualified the effect that the issue of five millions would otherwise have produced.

1897. At the time they made the arrangement, in January 1824, how was the Bank supplied with bullion?—Enormously; on the 1st of January 1824, the Bank possessed 14,100,000*l.* treasure of one description or another, being the largest amount they had ever possessed; the amount of their circulation, 17,300,000*l.* being rather a small sum.

1898. Can you state the amount of securities in the hands of the Bank at that time?—Our securities were 17,900,000*l.* making 32 millions altogether.

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1899. What was the amount of deposits at that time in the Bank?—Twelve millions and a half. In what I am giving, there are two classes of securities and accounts to be considered, those where the Bank itself possesses the option of issue, and the others, where the Public has the option; for instance, where discount is high, it is not because the Bank prefer to have it high, but because applications are made for it, and all the way through that will be found to be the difficulty in such an establishment as the Bank; there virtually exists a kind of option in other parties that the Bank does not desire to deny compliance with.

1900. What was the amount of securities in the hands of the Bank in April 1824?—Of bullion and coin 13,850,000*l.* and other securities 18,950,000*l.*

1901. What was the amount of securities in July 1824?—20,900,000*l.* and the amount of bullion was 12,800,000*l.* Perhaps I may be allowed to remark one thing, that may enable the Committee to see this better connected together; it was unavoidable for the Bank, during the operation of the resumption of cash payments, to over supply itself, because it was impossible to tell beforehand what sums would be wanted, and it will be seen that, beginning with 14,100,000*l.* we were going on in the legitimate course to effect reductions in that quantity; we must commit a fault, but it was upon the right side.

1902. What was the amount of securities and bullion in the commencement of October 1824?—The bullion was 11,600,000*l.* and the securities 20,700,000*l.*

1903. What was the amount of the securities and bullion on the 1st of January 1825?—We now come to rather an important feature; the bullion was 10,650,000*l.* the securities were 25,350,000*l.* being a considerable increase.

1904. Then, during that year the Bank did not act upon the principle of keeping their securities at the same amount?—They were from time to time relieving themselves of the excess that had existed in the quantity of gold, and approximating to that which the Public had previously wished, a larger supply of currency; seeing that the prices had been previously depressed, they were gradually approximating to that state of things that the Directors of the Bank desired, namely, to have about one-third of their liabilities in treasure; and being greatly in excess of that, for the reasons I have stated, they were in the progress to come back to that.

1905. Was that the reason for their increasing the amount of their securities?—It was not the only reason; the reason of that increase in October was, that they became possessed of exchequer bills against the money advanced to the dissentients under the agreement made in February 1824; the difference between the 20,900,000*l.* and the 25,350,000*l.* is principally occasioned by the sum that the Bank advanced to Government to pay off the 4 per cent dissentients.

1906. If the securities in the hands of the Bank remain the same, must not the alteration in the amount of the issue of the Bank of England depend upon the demands of the Public?—Pretty nearly so.

1907. Then during the year 1824, the alterations in the amount of the issues of the Bank had other causes affecting them besides the demands of the Public?—Exactly, distinguishing the Public from the Public Service; that which comes from the Chancellor of the Exchequer I consider the Public Service, and that which comes from discounts I consider the Public.

1908. It appears from your statement respecting the advance on account of the dissentient 4 per cents, that at the time that the bargain was made, the Bank was well supplied with bullion and the Exchanges were favourable, but that at the time the payment came to be made, the Exchanges had turned unfavourable, and there was a diminished supply of bullion in the hands of the Bank?—Some diminution in the bullion had taken place, but there was no direct evidence to the Bank of an unfavourable Exchange, until 18 November 1824.

1909. Can you state any opinion of what was the cause of the Exchanges becoming unfavourable in the autumn of 1824?—I could give an opinion upon it at the present moment that I could not have given at the time. I believe the truth will turn out to be this, that there has been over and over again a very powerful effect produced upon the country circulation which is not known at the moment at the Bank, but it becomes known afterwards, and the Country Bank notes had been in a most extraordinary manner reduced shortly after Mr. Peel's Bill in 1819. In the year 1820, it had become reduced to about eleven millions, having been sixteen millions the previous year, and twenty millions the year before; then in the year 1821, they were reduced as low as seven millions, then the effect of that would be produced about the year 1822, for the effect does not follow the alteration immediately;

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immediately; then I cannot help thinking there was a great increase in the Country Bank circulations in the intermediate time, between 1822 and 1824; I should think that would have lowered the Exchange to a point of some degree of depression. Then it usually happens when you have carried a thing to an extreme point on one side, circumstances and prices become altered, and that occasions the effect of a declining Exchange. There seems to have been for the whole period since the Peace a system of that kind of fluctuation, which is, I think, very much to be regretted, but the whole causes of which we do not always know at the moment. We can judge of it in bad harvests, and we can judge of our own amount of circulation, and we can tell the complexion of the Exchanges, but we can never tell the exact amount of the country circulation. The country circulation is of course very much in the hands of the Public, and any decrease of demands upon the part of the Public must act upon the Country Banker as well as upon the Bank of England in some degree. Perhaps with a little refreshing of my memory, I might be able to state more particularly what occasioned the alteration of Exchanges at that time, but the leading point I should mention as the most probable, occurring to me at this moment, is, that I think there must have been a great increase of the circulating medium.

1910. What took place in the Bank of England between 1822 and 1824, with respect to its issues; when was the Dead-weight bargain made with Government?—The Dead-weight bargain was first of all introduced into Parliament in 1823 as a bargain, but I believe the arrangement took place in 1822, but it was one year in abeyance. I think the Dead-weight existed one year before the Bank took it; the Bank was reluctant to take it, they declined it in the first instance, and took it the succeeding year.

1911. When was the first payment made by the Bank?—I think there was a temporary accommodation during that one year.

1912. When did the Bank advance a sum of money upon mortgage?—I cannot state so accurately in point of date as I can in point of succession. The plan was this; in connexion with the Act of 1819, a very large repayment was to be made on the part of the Government to the Bank; by the experience of 1820 and 1821, it was found that that repayment was more than was necessary for the purposes of the Bank, and in 1822 it was necessary to relax; it was somewhere about the year 1822. The first advance on mortgage was towards the close of the year 1823; between October 1823 and January 1824.

1913. Was there not an advance made by the Bank of England to the East India Company?—I think there was an advance of about half a million to the East India Company.

1914. When did that take place?—I cannot state exactly.

1915. Was it between 1822 and 1824?—There were several items of the same description, all tending to increase securities.

1916. Were those advances made upon securities readily convertible, according to the sound principles of banking?—More or less so; some were of one kind, and others of a different description; my own impression was, that the Dead-weight was the best undertaking that could have been engaged in.

1917. What do you think of the advance of money upon mortgage?—I do not think that was so eligible a security for the Bank to hold, but it was not so large in amount by a great deal. There are many circumstances connected with the Annuity undertaking.

1918. Do you consider that annuity a marketable security?—I never knew the Long Annuity unsaleable, while Perpetuities were saleable, and the Bank or Dead-weight annuity is within a few years of the same term; the Long Annuities are not quite so marketable as the Consols and Reduced, but still the Annuities are perfectable marketable, and indeed they are preferred; for when the new plan came into operation, it rather lowered the Long Annuities than raised them, which showed that the Public had given rather more than their just value for them.

1919. Was not the effect of the Dead-weight bargain to produce the advance on mortgage, and the advance to the East India Company; and in the period of 1822 and 1824 had it not the effect of greatly enlarging the currency?—I find, upon reference, that the deposits of the Bank during that period increased from four millions to eleven millions, which enabled the Bank to make all the advances referred to without any addition to the currency.

1920. Did you not say that in the beginning of 1824 your circulation was lower than it had been before?—Yes.

1921. Had not the Bank at that time, in addition to its paper, issued a large quantity

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quantity of gold for circulation?—Those are just comparisons, it had issued gold in substitution of 1*l.* and 2*l.* notes to the amount of several millions.

1922. At what period did that issue commence?—By law it was to commence in May 1823, and I believe, in point of fact, it was in 1821 that the Bank undertook it. At the time of the Committee sitting in 1819 a Commission was sitting likewise for the purpose of preventing the forgeries of 1*l.* and 2*l.* notes, and it was not ascertainable then whether they would succeed or not in rendering them not capable of imitation; but in the year 1821 it was pretty well ascertained that they could not make an inimitable note, and then, having the gold by them, the Bank stated that they were willing to meet the conversion of 1*l.* and 2*l.* notes before the time prescribed by law, and they did so.

1923. Was not this contract to pay off the dissentients to so large an amount as five millions, immediately consequent upon those other large advances to the East India Company, and of the sum of money upon mortgage?—It was immediately consequent upon them, but it was in connection with the plan for quarterly repayment, and with a collection of gold in a proportion that justified it.

1924. You have stated, that in January 1824 the notes were at 17,300,000*l.* which was a very low point as to notes, and the specie was 14,100,000*l.* which was the highest point as to specie; is it therefore possible, that being the case, that the advances on mortgage which took place in 1822, and the Dead Weight in 1823, and the advances to the East India Company, which you say took place between 1822 and 1824, could have had any effect upon the difficulties of the Bank in the year 1825?—No; I think that answers itself.

1925. You have stated, that there was a great increase of country paper immediately previous to 1824; is not that a reason why the Bank of England should have kept their issues as low as 17,000,000*l.*?—I think I stated, and I now believe there must have been a great increase of Country Bank circulation, but I did not know it then, I did not know what the amount of country circulation was. I have taken pains, at different times, to ascertain what the amount of country circulation was, and in order to keep clear of other than responsible authority, I took for my guide Lord Harrowby's statement in the House of Lords in the year 1822; and when the debates upon Agricultural distress were proceeding in 1822, Lord Harrowby followed up the statement of 1819, by carrying it down to 1822, and I arrive at the conclusion that it had fallen down to the amount I have stated.

1926. Was not the increase of 1824 so remarkably great that almost any body might have known it?—They might judge that there was too quick an action of credit in the aggregate, but more than that they could not decide. I do not know now of any accurate account of that period.

1927. Do you remember that in the year 1824, after the Bank had made advances upon the four per cent. dissentients, the Government likewise repaid exchequer bills to the amount of one million in 1824, and two millions at the beginning of 1825?—There was a reduction altogether of four millions and a half in Government securities. I am quite clear of the essential point; there was an over payment in the aggregate, the Government paying more than was necessary for the purpose to be accomplished, viz. the resumption of cash payments.

Jovis, 21^o die Junii, 1832.

THE RIGHT HON. LORD VISCOUNT ALTHORP, IN THE CHAIR.

William Ward, Esq. called in; and further Examined.

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1928. HAVE you any explanation to offer with regard to any part of your former evidence?—With regard to question, No. 1886, in my last examination, the delivery of gold coin between the 1st of July and the 1st of November 1824, was about one million and a quarter; and it should be observed, with reference to the Exchange on Paris, that although the exchange was rather lower, the premium upon gold in Paris was lower also. It will be understood that an actual fall in the exchange is not an exact indication of supply and demand, because the premium on gold in Paris varies; but if the premium upon gold was to rise, there must be a corresponding alteration in the rate of exchange to make the values remain as they previously were.

1929. Did

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1929. You have stated that about a million and a quarter was drawn from the Bank between July and November; was that drawn regularly during the course of the period, or was there at any one time any large sum drawn at once?—There was rather a large sum drawn upon one occasion, I think it was 600,000 *l.* through Mr. Rothschild.

1930. When was that drawn?—I think it was drawn in August.

1931. In August, it appears that the exchanges on Paris are marked at 25 francs and 10 centimes?—I looked yesterday to refresh my memory, and I did not see any such quotation.

1932. Is that an exchange that you would expect to draw gold from the Bank?—When there is only a small premium upon gold at Paris, I think it would hardly answer to send gold upon those terms.

1933. It appears that the lowest exchange marked in Weddenhall's List in 1824, is in August 25-10, and once in November 25-10 also; if that was the case, would it not be as likely that gold would go out in August as at any period of 1824?—I do not think any profit would be obtained by export at the period alluded to.

1934. Can you state, at the period you have referred to, what was the premium at Paris?—About two per mil.

1935. Does it not often happen that merchants, having large remittances to make abroad, where it is important for them to make them rapidly, and where it is important for them not to show the nature of their business to all the world by being large takers on the Exchange, frequently make their remittances by bullion or by coin of this country, when you could not trace by the rates of exchange that it would precisely answer to do it in that manner?—It is so.

1936. From the circumstances stated in the preceding question, do not merchants sometimes send coin or bullion out of the country, although from the apparent state of the exchange it would not appear to answer to them?—Certainly.

1937. Would not the merchant in that case be a loser to the amount of the difference between the prevailing rate of exchange and the cost of remittance in bullion?—If that were the whole of the transaction, he would; but transactions of that nature are generally connected with financial operations in Paris and elsewhere, from which there is benefit enough to compensate for that disadvantage by the accommodation of immediate use and the avoidance of credit, because you could not get bills always best entitled to credit. There are various considerations that make it profitable in reality, though the computation would make it appear not to be so.

1938. Is not the loss, whatever it may be, a diminution of the profit upon the transaction?—Precisely; it would have probably this result: Mr. Rothschild might probably undertake a financial operation in Paris or elsewhere; the profit upon that undertaking we will assume to be three per cent. and it becomes reduced to two and three quarters per cent. by reason of that mode of remittance.

1939. Must it not depend also upon the probability of the effect of a great operation upon the Exchanges, altering the prevailing rate of exchanges; for example, has not a very great demand for bills upon the public market a tendency to alter the rate of exchange?—Certainly.

1940. Might not therefore a person, taking that into consideration, send bullion under those circumstances, and yet feel that he was losing nothing by transmitting his funds in gold?—Certainly; inasmuch as the price of gold cannot be acted upon, whereas the price of the exchanges can.

1941. Supposing you had a large sum to remit to Paris, and that you wanted to have it there within a short period; supposing you wanted to remit half a million, and you found by the quotation of the exchanges that bills would pay an eighth to a quarter per cent. better than bullion, might it not still be for your interest to send the bullion in preference to the bills, considering the rapidity with which you can execute your business, considering that you run no risk in taking bad bills, and considering that you might, before you had executed your operation upon the exchanges by taking bills, have moved the course of exchange more than the difference at which it then stood?—Certainly.

1942. Has not that mode of remittance by coin and by bullion very much grown into a practice in this country since the law permitting the free exportation of coin, and since the perfection in the manufacture of the coin?—There is no doubt that facility of communication has materially increased that description of business; it was a description of business not frequently had recourse to in former periods.

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1943. In old times it could not legally be carried on?—No; it could not; it was contrary to law before.

1944. Has the alteration in the law given great facilities to that mode of traffic?—I think it has; the traffic was carried on before, although forbidden; but it was carried on under circumstances of precaution that rather marred the effect of it, and many parties would not do it; I would not, for one.

1945. Can you assign any per centage, as the amount of the difference, since the permission of the exportation?—The difference would vary in the winter and the summer; the expense of transit would be more in one period than another; but the expense of transit in favourable periods now is very trifling, I should think not more than 4s. upon 100 l. upon conveying gold from London to Paris.

1946. Would that cover an insurance of the gold?—I do not believe Mr. Rothschild ever insured an ounce, for years past; but to set apart so much as the risk was intrinsically worth, it would.

1947. With reference to the difference in the facility since the passing of that Act which legalized the transmission of coin, can you assign a per centage to the difference under the Act and before the Act?—No, I cannot; I know that a great many persons did not think it right to violate the law by exporting it, and it fell into the hands of an inferior class of smugglers and others that might have done it without great expense; but there were expenses of personal considerations, and so forth.

1948. Was not the gold seized sometimes?—Yes.

1949. It being advantageous to merchants, do not you think it advisable that those facilities should be given to the transmission?—I always thought the old law, forbidding the export, a bad one.

The next question in my former examination, upon which I wish to make an observation, is No. 1894. It is necessary to observe, that there are more evidences than one of sufficiency or insufficiency of currency; and it should be recollected that the Bank has been occasionally complained of for issuing too much, and at other times it has been complained of for issuing too little. The persons that make these complaints sometimes give various reasons, and among others they have over and over again stated, that to have a full and a satisfactory currency, the amount ought to be kept up at such a point as would render the silver equal to the old standard of 62 d. Many persons thought it would be preferable, originally, that the standard should be in silver altogether; but there hardly remains now any thing more than an imaginary standard; but the former standard was 62 d. the ounce. At no period previous to the period I am now speaking of, for a very considerable time, was the silver up to that mark; so that if any person thought the low price of silver an evidence of insufficient circulation, instead of there being too much, there would appear to have been too little.

1950. Do you know that such complaints were made?—Yes; many persons, in reasoning upon it, have alluded to that.

1951. Do you think, yourself, that the price of silver is any criterion of the sufficiency or insufficiency of the circulation?—I think the price of silver ought to have been more regarded formerly than now, because payments to the extent of 25 l. might be made in silver formerly, and they can only be made now to the extent of 40 s.

1952. Are you aware that before the alteration of the law of counting by weight, silver to any sum was good payment, and that before the alteration of the law, silver might be taken to the Mint to be coined, in the same manner as gold can now?—Yes.

1953. And therefore silver was in those days a legal tender?—Yes; but there was something more awkward about the law than many persons are aware of; and down to this day I am not able to say who is right and who is wrong, because the lawyers differed about it; I made inquiry about it, with this view, if silver was a good payment to the extent of 25 l. it would then follow that every Bank of England note under 25 l. was redeemable in silver, and they need not have paid gold for any of those notes. I asked the legal adviser of the Bank upon that subject, and I asked the Attorney-General at the same time upon the point, and they did not agree in opinion upon the question, whether that could be so acted upon in the case of an emergency. The opinion of one was, that the law was entirely ineffective, because if a person held two 25 l. notes, he might put them together, and claim 50 l. in one sum, and thereby obtain payment in gold; and the opinion of the other was, that that could not be so done.

1954. When

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1954. When was that opinion given?—It was not a written opinion, but it was for my own satisfaction. It was shortly after the examination in the House of Lords in 1819; some questions were put, that conveyed to me an idea that some intention or some disposition might exist to try whether a portion of the notes might not be payable in silver, and another portion payable in gold; and in turning that over in my mind, I thought I would endeavour to ascertain how the fact stood, and the question I asked was, whether the Act of 1816 did not deprive the Bank of that option, which otherwise would have existed.

1955. You are understood to say, that without the Act of 1816 the Bank would have had that option?—It was equivocal; one lawyer was of opinion it could, and the other that it could not.

1956. You have stated that the Bank had no direct evidence of an unfavourable Exchange up to the 18th of November 1824; would not you consider that demand you spoke of, of Mr. Rothschild's, of 600,000 *l.* for exportation, a direct evidence of an unfavourable Exchange?—Not so much so as would be thought; I should consider that more an evidence of some financial operation abroad, than evidence of an improper state of circulation here, and more particularly at such a period as that.

1957. If the Exchanges were marked on the list at that time at the rate of 25 francs and 10 centimes, was not that demand accompanied with an unfavourable state of Exchange?—Rather so; I speak more decidedly in consequence of there being no demand till the 18th of November; the first demand for bar gold was upon the 18th of November, and I should withhold my assent to the fact that there was an unfavourable Exchange till there was a demand for bar gold.

1958. Did the Bank ever supply bar gold, during any recent period, before the 18th of November 1824?—Yes, from time to time they have done so.

In Question 1917, I was asked respecting the occasion of the mortgage upon which the Bank made an advance; the fact was, that the agreement to advance money on mortgage considerably preceded the advance of money, because it was necessary to have the title deeds and papers entered into; that required consideration; the consequence was, that the real date of the advance was, I think, several months after the agreement to make the advance, and therefore I have stated that the first advance in mortgage was towards the close of the year 1823, between October 1823 and July 1824.

1959. Have there not been considerable law expenses incurred in recovering the amount of those advances?—No; I think we have had rather preferable undertakings upon large sums, so that we are better off than persons usually are who advance upon mortgage.

1960. Have you appointed a receiver in any case?—I do not know.

1961. Was the interest paid regularly?—Yes, it has worked admirably; at least it has not worked ill.

1962. Are you aware of the effect which that advance on mortgage had upon the money market at that time?—The lending money on mortgage on the part of the Bank was very much complained of; but it will be found that there are a great many circumstances that were in operation at the time, that rendered it, if it was done at all, rather a preferable moment for trying an advance of that description. Many persons, both then and since, have complained of the Government and the Parliament and the Bank for reducing the rate of interest, and have thought that many of the speculations that took place arose in consequence of those reductions. The Bank appears to have been the most reluctant of any party to lower its rate of discount; but whatever the rates may have been decided upon, either by Parliament or Government, or by the Bank, the Public itself carried the rate of discount to a much lower point than either of those parties, for it will be found that the exchequer bills that were issued by Government bore a premium of about 68 *s.* in the market; so that a portion of the Public bought an instrument bearing $2\frac{1}{4}$ per cent. interest, giving one year and a half premium to obtain it; consequently, if the low rate of interest was at all an ill, it was an ill that the Public inflicted upon itself. The Bank therefore appear, by the mortgage to that extent, to have diminished the chance of its being compelled to have recourse to low rates of interest.

1963. The question does not relate solely to interest, but the object is to ascertain what was the effect of the Bank taking to itself so large a portion of investments, and consequently throwing those small sums which had been lent upon mortgage, upon the money market, and thus, by increasing the difficulty of invest-

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ments, increasing speculation?—It is very difficult to say on which side the speculation became increased the most; my impression is, that the conduct of the Bank was more calculated to prevent speculation than to stimulate it, so far as regards that mortgage undertaking.

1964. Did it not throw a very large proportion of capital upon the market for investment?—The sum employed was no increase, it was provided for by the increased amount of deposits.

1965. Did it not pay off the existing mortgages?—It was a mere transfer.

1966. Was there not, by that payment, a considerable sum of money thrown upon the money market?—No, for the reason stated above.

1967. Did it not, therefore, increase the difficulty of making investments to Bankers, and to every other description of persons that had money to lend?—No; unless you assume that the money would not otherwise have been issued; but, as the money would have been issued in some other direction, the one qualifies the other.

1968. In what other mode could you have issued it, considering the state of the investment market at that period?—The Bank might have found some difficulty at that period in knowing how it should act. It was necessary that some employment of circulation should take place, else the principle of currency would have been violated by the extent of gold coming in, and exchequer bills and commercial discounts could only be procured at unprecedentedly low rates of interest.

1969. You admit that there was a difficulty on the part of the Bank to find investments at that period?—Certainly, to a certain extent.

1970. Would there not also, under those circumstances, be the same difficulty with regard to the Public generally, to find investments?—Yes; but there would not have been the same consequences arising from what the Public might do; the consequence of the Bank not acting, was the attracting of more gold, having already too much; but no such consequence emanated from the difficulty on the part of individuals.

1971. Does it not follow, if there was a superabundance of money, and a difficulty of finding investments, that if at that period the Bank took upon itself to issue more money, and came into competition in that market for investments, they must consequently have increased the difficulty which had before existed?—No, the Bank is in a different position from the Public; if they did not employ an adequate quantity of money on good securities, a deficiency of currency would bring gold into the country; they must employ their notes to pay for the gold, and thus the same effect is produced upon the Public of an increased circulation.

1972. Why is it necessary that the Bank should employ their notes in the purchase of gold?—Because if they do not, parties bring it to them to make their payments; parties bring in and draw out, just as they please. I have 1,000*l.* I will suppose at Paris, and I desire a party to send that 1,000*l.* over to me, he finds it difficult to get bills, and he sends gold; if I do not dispose of the gold in the market, I carry it to the mint and get it coined; as soon as it is coined, I take it to the Bank, and I draw against it, and then my thousand sovereigns are paid in on one side of the account, and I draw out a thousand pounds note upon the other, and pay to whom I please, so that it is impracticable for the Bank to do nothing.

1973. Has not the Bank always the option of paying in gold?—If the Bank choose, under those circumstances, to say that they would make their payments also in gold, they would inconvenience public business; with the quantities of money for the Revenue, and other things, if they were to say they would not do that, business could not be done in that way.

1974. Does not the profit of the Bank depend very much upon the amount of the treasure it holds?—The immediate interest of the Bank is, to have the smallest amount of treasure.

1975. Therefore at the time you give these reasons for preventing an increase of gold, there is this farther reason, that the preventing of a large accumulation contributes to increase the profits of the Bank?—I have always regarded the issues of notes both with reference to the proprietors and also the Public; if the treasure collected by the Bank be too great, the Public suffers from the too great appreciation of the currency, and if too little, depreciation must be apprehended; the Act of 1822, extending the period for the use of country 1*l.* and 2*l.* notes, rendered the treasure prepared to meet their withdrawal superfluous, and it became due to the Public that too great an appreciation of currency should not exist.

1976. Do

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1976. Do you mean, by the evidence you have given, to say that the Bank have no means of diminishing the amount of bullion in their coffers, except by an adverse exchange?—No, it is a difficulty, because if the Public has that quantity of gold that suits their purposes, and the Bank holds a larger proportion of gold than is either its interest or its duty to hold with reference to the circulation, the only means by which it can get rid of it is by issuing notes; it must then use its discretion in the investment.

1977. Will not that apply to any other banking establishment of large capital?—No, I do not think it would.

1978. Why is it, then, that the Bank of England is placed in so different a situation from another banking establishment with a large capital?—Any Country Banking Establishment, if it finds itself possessed of more gold than it likes, can forward that gold to London, and get it placed in the coffers of the Bank of England, or have it vested in Stock and productive assets; but the Bank cannot issue gold without its coming back to them.

1979. Cannot the Bank state to the persons that discount with it, that they are willing to discount for gold, but that they do not choose to issue their notes?—They can by law; but it is not practicable for the business of the country to be done with gold; the quantities of public and private business could not be dispatched in a gold coin, more especially with reference to the Revenue, which has to be transmitted from one part of the country to another. How would it be possible to remit the quarterly collections in gold?

1980. Would it be possible to conduct the ordinary mercantile affairs in London by payments in gold?—Totally impossible, in my opinion; the magnitude of transactions is such that it could not be done.

1981. In speaking of the increase of notes in 1822, you said that in 1822 it was found necessary to relax the monetary system of the Bank; did you mean by that, that it was necessary to increase the circulation of Bank notes?—Yes, it became necessary to increase the securities.

1982. Was that the opinion of the Government at that time, do you think?—I think it was the opinion of the Government at that time; but it certainly was the opinion of the Bank.

1983. Are you aware that Lord Liverpool stated, on the 20th February 1822, that His Majesty's Government had resolved on borrowing four millions of exchequer bills from the Bank, with the view of applying it in some manner for the relief of the country, and that he stated, on the same day, that the chief object which His Majesty's Government had in view was, not so much the adoption of this or that particular measure, as the adoption of any measure that would have the effect of getting those four millions into general circulation?—I recollect it.

1984. Do you recollect that various plans were suggested, such as lending on parish rates, lending on public works and exchequer bills?—Yes.

1985. Do you think that the relaxation you speak of took place in accordance with the views of His Majesty's Government?—As far as I can read Lord Liverpool's intentions, I think his object was to stimulate the increase of circulation to a legitimate extent.

1986. It appears by the Parliamentary Returns, that the circulation of the Bank on the 26th February 1822 was 16,700,000*l.*; that at the period when relaxation or increase was thought necessary for the country, in 1823, it amounted to 17,400,000*l.*; on February the 26th, 1824, it amounted to 19,300,000*l.*; and on February the 26th, 1825, to 20,600,000*l.*; making an addition of 3,900,000*l.* in those four years to the circulation of the Bank; is not the tendency of an increased issue of Bank notes to raise the prices of property and commodities, and to lower the foreign Exchanges?—Upon reference, I find that no addition to the circulation was made by the Bank within the periods alluded to in the question, until April 1824, when that addition only extended to 700,000*l.*; on the 1st January 1825 the Bank further extended to the amount of 1,400,000*l.* in consequence of the aid afforded to Government in paying off the dissentient holders of four per cents; these temporary extensions could have had no effect in promoting the speculative mania, which began in 1823.

1987. Is not the tendency of the reduction of Bank notes, to reduce the prices of property and commodities, and to raise the foreign Exchange?—It is eventually.

1988. The notes having increased three millions and a half between 1822 and

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1825, would you not expect a corresponding advance from that operation in the price of property and commodities?—Certainly, in a limited degree.

1989. And a tendency to reduce the foreign Exchanges?—Yes.

1990. It appears that Lord Liverpool stated in February 1826, that in March 1825 the Bank saw the necessity that was pressing upon them, and they then did begin to draw in and reduce their issues, and that in the month of March they reduced their issues 1,300,000*l.*; between the 15th of March and the 15th of May they made a reduction to the extent of 700,000*l.* more; between August and November they further contracted their issues, making altogether a reduction of 3,500,000*l.* in their issues between March 1825 and November 1825; was the necessity for those reductions of which Lord Liverpool then spoke, imposed upon the Bank by the unfavourable state of the foreign Exchanges at that time?—I have not got the course of the Exchanges here, but I think it was; and the Public having exchanged notes for gold, the reduction was in some degree a self-operative one.

1991. You have stated, that the previous addition to the circulation of the Bank, between February 1822 and February 1825, had a tendency to produce an unfavourable Exchange?—Yes, but in connection with an increase of country notes.

1992. The Governor of the Bank, in his evidence, has spoken very much of the speculations which took place in 1824 and 1825, which, in his opinion, were the main cause of the derangement, and the crisis at the end of 1825; has an increase in the amount of Bank notes a tendency to foster speculation or to discourage speculation?—It would afford facilities to speculation, but it would not do so invariably; sometimes an increase of circulation is drawn forth by speculation previously in excess; it is sometimes the cause, and sometimes the effect.

1993. Was any part of the increased circulation of the Bank drawn forth by speculation?—I cannot trace that exactly; in 1825 there was a considerable increase of discount, which would indicate either a great number of transactions or a higher rate of interest.

1994. It appears that the amount of bills which the Bank had under discount in the quarter ending March 1822 was 3,100,000*l.* and the amount under discount in the quarter ending March 1825 was 2,400,000*l.*; there was, therefore, no increase of discount?—It got up to 6,000,000*l.* in July 1825.

1995. Could that increase of nearly four millions of Bank notes, which took place between February 1822 and February 1825, have been in any manner occasioned by speculation upon the part of the Public, since the advances on discounts by the Bank to the mercantile community were diminished in that period?—I do not consider that the moderate amount of discount proves the circumstance of there being no speculation.

1996. Had the speculation the effect of drawing Bank notes from the Bank?—I cannot say; there was a great depression in prices previously to the year 1822, and directly the prices rose, there might have been an increase of notes generally, including country notes.

1997. There having been an increase of Bank notes between February 1822 and February 1825, without any corresponding increase of discounts by the Bank during that period, but with a diminution of discounts, was the increase of Bank notes occasioned by advances of any kind to the mercantile community?—No.

1998. Then the speculation of the mercantile community was no occasion of that increased issue of the paper of the Bank?—Not through the channel of discounts.

1999. Is there any other channel by which the mercantile community could have drawn any material amount of notes from the Bank?—Not of Bank of England notes.

2000. Would not speculations in goods and in stock generally be seen to be profitable during the period of an increase of Bank notes and a general advance of prices?—Yes, but not invariably.

2001. And generally unprofitable during a contraction of the circulation?—That is the tendency.

2002. Does it not appear that the speculations in 1823, 1824 and 1825 had no effect in occasioning the increase of Bank notes which accompanied that period, but that the issues of the Bank during that period had a tendency to foster speculation?—There was no material increase in the Bank circulation during the speculative period, particularly the early part; but had it been otherwise, I say that it would have been a just cause of complaint against the Bank, having an over supply of

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of gold, to have withheld it; and I do not know why it should be imputed to the Bank that their motive was to foster speculation.

2003. Does it not appear that the increased issues of Bank notes during that period might have been the sole cause of the speculation which accompanied it, but that the speculation was no cause of those increased issues of Bank notes?—My impression is, that the fair way of viewing the increase of Bank notes, small as it was, is to view it as a retrograde movement, the Bank having advanced too far when the One and Two Pound Note Act passed in 1822; too much gold having been obtained, it was necessary to relieve themselves, and to relieve the country of some of that excess.

2004. It appears that the price of 3 per cents in February 1822 was 76½, in February 1823 they were 74, and in February 1825 they were 94; do you think that speculation of any kind could be the cause of that increase in the price of 3 per cent. Consols?—There are more things than one that occasion the high and low price of stock.

2005. Do you think that speculation could have produced that effect?—I do not think it could; I think it must have arisen from *bonâ fide* surplus capital for investment; I think a good proportion of it would be of that description.

2006. As Consols now are 10 per cent. lower than the price in 1825, would not you naturally expect that that increase of investment which took place in 1824 and 1825 would have continued to this period?—Not if people had opportunities of making a better appropriation of their funds.

2007. Do you think that Consols would have arisen to 96 in February 1825, if it had not been for that issue of Bank notes which has been referred to, and the foundation of which was laid in 1822, for the purpose of relieving the distress of the country?—I consider that the price of stocks must always be in comparison with other sources of investment; and I dare say it will be found that land and other things would have been higher simultaneously, but a person will hold his stock as long as he thinks it the most beneficial employment of his capital, and no longer; I speak now of those persons who are in a condition to change frequently.

2008. In 1826, when stocks advanced so high, do you think that land advanced equally?—I think it very likely.

2009. Do you think that property, and commodities generally, experienced an advance in an equal proportion?—I think from 1822 to 1825 there was a considerable advance in the money price of almost every thing that was bought and sold.

2010. At what rate would you estimate that advance; was it as much as 50 per cent.?—No, but it was a very unusual one; and I dare say it was 25 per cent.

2011. Did not commodities and foreign productions rise more than 25 per cent.?—About 25 per cent. probably; it is a very rough estimate.

2012. Can you say confidently that it was not 50 per cent.?—No.

2013. Do you think that the Government could have effected the operation of reducing the interest of the debt without that increase of the circulation of the Bank which took place at that period?—I do not know whether it would or would not; the reduction of the four per cents differed from the other reductions that have taken place, for the reduction took place, or at least the arrangements were made for it, when the three and a half per cent. stock was under par; when Lord Goderich determined to reduce the four per cents to three and a half per cent. the three and a half per cents were under par, so that he virtually undertook a bold measure, but he was warranted by the existence of a *bonâ fide* surplus income, I believe greater than any that has occurred either before or since.

2014. Do you think that advance would have taken place unless the Bank of England had increased its circulation between 1822 and 1825?—I am not sure whether it could or could not; but I think that his measure was a much bolder one than other measures have been; but he was in a great degree justified by the actual position of the revenue. I think the revenue amounted to 6,700,000 *l.* surplus that year; and the public balances at the Bank indicated an unusual supply of money coming in from the Public, that certainly authorized more being attempted than had been attempted on any former occasion.

2015. You have stated that the increase of Bank notes which took place between 1822 and 1825, would have an obvious tendency to derange the Exchanges; it was stated by the Governor of the Bank, that in fact it was the speculation of 1823 and 1824 that had the effect of deranging the Exchanges; do you recollect, that when His Majesty's Government in 1822 decided upon the plan

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of putting an additional four millions of Bank notes into circulation, it was then stated by Mr. Huskisson, that one of the chief objects His Majesty's Government had in that operation was to revive speculation, which was then dormant, upon which revival His Majesty's Government placed their main hope of restoring the prosperity of the country; and do you not consider that the increase that was occasioned would have a natural tendency to revive and to increase speculation?—I recollect distinctly many of the circumstances referred to, though perhaps not in the order in which they have been stated. Government at that time had received many complaints relating to the agricultural distress and the depression of prices; and I think the price of wheat was at one time as low as 37s.; the average for the year was as low as about 43s. My own opinion is, that whatever circumstances were in operation, one of the most unfavourable circumstances that occasioned the low price was the very low state of the aggregate currency of the country. I stated, in my former examination, that the amount of country notes which had been at twenty millions, had become reduced in one year to sixteen millions, and had been then reduced to eleven millions; and by the year 1821 it had been reduced to seven millions sterling; the consequence was, that not only prices were low, but that a disinclination to transact business, and a great deal of positive evil existed; and I think the agriculturists had a clear right to complain of that circumstance. I think Government had a clear right to try to restore the prices, in some degree to relieve them from that depression, and I do not know any other means by which it could be done than by giving them at least as good a currency, as full a currency, as was legitimate in connection with the laws relative to currency. When the season of 1822 arrived, I think it was a very wise measure to try to stimulate prices. I believe that moderate speculation itself is a good rather than an evil; but that the difficulty is in regulating the degree. If persons, when one speculation is set agoing, carry it to a preposterous extent, they must take the consequences of it; but I do consider it beneficial to the country that there should be a certain degree of enterprise, and there was a great want of what I should call a legitimate degree of enterprise at that period, and a depression of price in consequence, of which I think the parties were entitled to ask for relief. I am saying this always with regard to the legitimate bounds prescribed for currency. As long as we could administer an increase of notes with the Exchanges greatly in favour of the country, by a sufficient supply of gold, I think the country had a right to obtain that action upon the prices that a sufficient currency would give them, and that they had a great insufficiency previously.

2016. You have stated, that some time in the beginning of 1825, Lord Liverpool had stated that there was at that time a sound state of currency; on May the 2d, 1825, it appears that Mr. Huskisson stated, that with respect to any depression which might be produced on the foreign Exchanges, as against this country, he thought it was a subject which ought not to excite alarm in the minds of any, or that any opinion unfavourable to our general prosperity should be drawn from it, that it was quite ridiculous to entertain such an apprehension, that the recent slight turn against us had arisen from circumstances which must be of a temporary nature, and which would in a very brief period work their own remedy; was not that declaration, made by a Minister of the Crown, calculated to lay asleep any apprehensions which Country Bankers and mercantile men might entertain from the state of Exchanges at that time?—I think that was calculated to give a slight and seasonable caution; I should consider that rather a precautionary assertion of Mr. Huskisson's, than otherwise; he showed that by the Exchanges being unfavourable, there might be a degree of alarm produced, and he meant to moderate that alarm, and that people should not allow it to exceed the occasion.

2017. Do you consider, then, that the danger he apprehended was from too great caution, and not from too little caution?—I think those observations were, in some degree, precautionary.

2018. You have stated, that the Bank notes which have been referred to, were issued to relieve the distress of the country?—That was one object, but it was in connection with good currency, we were promoting a good currency by it.

2019. You have stated also, that the prices were in this manner raised, and that they did advance 25 per cent. and you are not certain that they did not advance 50 per cent.?—Yes.

2020. Part of those issues of Bank notes you found to be inconsistent with the safety of the currency, and they were drawn in?—The Exchanges had become unfavourable, and it was necessary then to effect a reduction.

2021. Therefore

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2021. Therefore having been issued to relieve distress, and having raised the prices, they were drawn in to protect the standard?—It was necessary, on the score of prudence.

2022. Could the standard have been protected without those notes being drawn in?—No.

2023. Do you think the state of the country was greatly relieved in 1823, 1824 and 1825, from that state of distress which existed in 1822?—At the earlier period the country was relieved from the depression, and things were for a short period in a wholesome state, but the enterprize being once in action, it went on at too great a rate, and resulted in great ill.

2024. Did it not result in bringing back the distress and low prices, out of which this operation relieved the country?—It must be recollected what occurred before that; it was not that the prices were raised so much above their usual level, but the prices were raised above the level that existed when they were so unusually depressed in 1820 and 1821, and therefore I do not admit that the prices ever rose in 1825 to so much above their natural level, although they rose above the depressed period of 1820 and 1821.

2025. Do you think the prices of 1825 were higher than the prices at the present time?—Yes, I should think they were considerably.

2026. Should you think 25 or 50 per cent.?—Perhaps 20 or 25 per cent., but I cannot speak with confidence upon that.

2027. Would you be positive that they were not 50 per cent.?—No.

2028. Then the unnaturally low prices from which the country was relieved appear to have been not materially different from the present rate of prices?—They are very different in effect, as to distress and so forth; the rate of price may have been nearly the same, but the elements constituting the price are very different, the taxation and other things must be regarded.

2029. Is not the rate of price very nearly the same now that it was in 1822?—Probably it is, but I cannot speak with any certainty; if I were called upon to give an opinion upon the state of prices, I should call for the prices of some ten or twelve of the leading articles, and see what the prices were that existed then, and what the prices are that exist now, and then it would only give me an imperfect view, because nobody knows what improvements in machinery may have taken place, or whether the profit may not be greater than it was then, even though the price may be the same.

2030. If you found that the price of any main article of consumption and production, not affected by machinery, corresponded now with the price in 1822, would you not say that the value of money at the two periods was nearly the same?—Very likely it may be, but I cannot answer that question satisfactorily.

2031. Do you consider the state of the country in 1825 to have been prosperous or unprosperous?—The early period of 1825 was a period of brilliancy, but there was not so much of permanent good as there was at an earlier period, before speculation had been carried too far.

2032. Are you aware that the King stated in his Speech upon the 3d of February 1825, that there never was a period in the history of the country in which all the great interests of the country were in so thriving a condition?—I am aware of that.

2033. Do you think that that state of the country was produced by the measure for giving relief which you have described, namely, the increased issue of notes of the Bank of England?—I think an increase of notes at all times and under all circumstances, is beneficial in its tendency, as to price, for a moment, and *vice versa*, that the tendency of the reduction of notes is to have a prejudicial effect; the only question is, whether the increase or decrease that is made is in character with the sound principle of currency, whether the degree and mode of administration is suited to the circumstances of the country. In 1822, the Bank had unavoidably violated the principle of currency, and they would be under the necessity of doing so again in similar circumstances, but that was caused by the State requiring that gold should be procured at any cost. You must violate the principle of currency in order to get a supply of gold. The only thing I am able to answer for is, as to the intention of the Bank to keep steadily in view the prerogative of the Crown, which decides what the gold currency shall be, and to make the paper conform to that gold, which is its prototype, to the best of its ability.

2034. You have stated, that the circulation was increased to the extent of four millions

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millions between February 1822 and February 1825, and that prices advanced from perhaps 25 to 50 per cent.; if it were found that increased issue of Bank notes and that rise of prices was inconsistent with the security of the monetary system then established by law, and that the notes were on that account compelled to be withdrawn, and the prices on that account compelled to be reduced to their original standard, should you have thought that an operation beneficial to the country?—The question assumes that the Bank acted solely for the purpose of altering prices, which I do not admit; if the Exchange is favourable, it is the duty of the Bank to increase its issues.

2035. Will Government again demand of the Bank an issue of four millions to relieve distress?—No; nor will they previously call upon them to reduce for the purpose of procuring gold to restore the currency; and in addition to that, it must be recollected that feeling had a great deal to do with it, there were persons that took exceptions to the 1*l.* and 2*l.* notes being forged, and the consequence of that was, that the Bank were obliged to violate the principle of the currency, in order to provide gold for the payment of them; and the same thing would happen now if the Parliament were of opinion that the 5*l.* notes should be withdrawn; in that case it would be necessary for the Bank to violate the principle of currency, so far as to get the gold to supply the place of the 5*l.* notes. The process of getting gold for the substitution of paper can only be accomplished by some violation of the principle of currency.

2036. You have spoken of the Bank notes issued in consequence of an arrangement with Government for the purpose of relieving the distress in 1822; are you aware that in the year 1819, Mr. Harman, the Director of the Bank, stated in his evidence before the Bank Committee, that a similar operation took place in 1816?—Yes, I recollect it perfectly.

2037. Are you aware that Mr. Harman stated that the distress rendered it necessary to relieve the Public by an increased issue of Bank notes?—There were some circumstances connected with that period, that ought to be recollected; the year 1816 was the year when the Property Tax was lost; there was very great distress in the year 1816.

2038. Were the Bank notes issued to relieve that distress, issued by advances made by the Bank to the Government?—They were issued for a supply which the Government wanted, in consequence of the loss of the Property Tax.

2039. Did that issue of Bank notes raise prices?—Yes.

2040. Did an unfavourable Exchange follow?—An unfavourable Exchange followed, but not altogether occasioned by the notes; it happened unfortunately that 1816 and 1817 were very bad harvests, and I think that twenty-one millions sterling was brought into this country in grain alone, of which about seventeen millions came from abroad and the rest from Ireland; so that more circumstances than one were connected with the transaction.

2041. Do you recollect in what degree the prices advanced during the operation of that issue of Bank notes?—No, I cannot say; it was very considerable, I have no doubt, perhaps 25 per cent.

2042. Were those notes drawn in again?—Those notes amounted to 29,210,000 *l.* in the summer of 1817, that was the amount of the average of the last half of the year 1817; then in 1818, there was a diminution of the Bank of England notes, but an increase in the amount of country notes; the largest amount of issues was in August 1817, and it was then thirty-one millions and a half, but the amount for the last half of the year 1817, was 29,210,000 *l.*

2043. What was the occasion of the Bank withdrawing those notes issued in 1816?—The circulation afterwards became diminished by the drain for gold; the Exchanges had turned against this country. From the March of 1816 till July 1817 the Exchanges were steadily favourable, and gold came in in large quantities; then there was an increase of Bank notes, and the Exchange became turned; the gold went out, and the gold going out diminished the notes.

2044. Then the Bank issued notes to relieve distress?—I never admit that that was the only cause; I do not admit that the Bank ever does or ever did, for the purpose of relieving distress alone, issue notes.

2045. Mr. Harman was asked, “Did not that distress render it necessary to relieve the Public by an increased issue of Bank notes?” to which he answers, “Yes;” then he describes how that increase took place; must it not therefore be admitted that those Bank notes were issued to relieve distress?—I do not admit that that was the only consideration, because I know other considerations of importance

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importance which existed also, namely, the loss of the Property Tax, rendered the Exchequer poor, and it was convenient that the Exchequer should get assistance from the Bank; the Bank was not in a condition to give that assistance, if it was to proceed in its preparation for the resumption of cash payments; the two went simultaneously together, and a loan was made by the Bank to the Government, Parliament concurring in it; the Bank Restriction Act was put off two years, and the Bank was to advance a certain sum of money, which sum of money was to be repaid three months previously to the resumption of cash payments.

2046. Do you mean to say that Mr. Harman was wrong in saying that one feature of the measure of advancing those Bank notes was to relieve distress?—That was one feature, but I do not admit that the Bank ever does or ever will issue notes for the purpose of relieving distress only.

2047. Does it not appear that that issue of notes was followed by a great rise of prices, which was followed again by an unfavourable Exchange, and that was followed by the necessity of withdrawing the notes then in circulation; and then we come to the period of 1822, which you have described as another period of distress which the Government thought it necessary to relieve by borrowing money from the Bank, thereby increasing the circulation and fostering speculation; do you concur in that view?—I do not differ a great deal from a great portion of it, but I arrive at the conclusions through a different mode; in that view of the subject it is entirely left out of consideration that the whole currency had been deranged during the War, and it was necessary for the Government to occupy itself in the restoration of the currency; in so occupying itself, other considerations interposed from time to time, and fluctuations took place that were pernicious.

2048. Must not those operations have had the effect, one set of them, of advancing prices, and another set of them, of contracting and reducing prices?—Yes, but they were always in connection with other circumstances; for instance, I cannot shut out of my mind the bad harvests of 1816 and 1817, and the loss of the Property Tax, and various other things that occurred at the different periods.

2049. Would the loss of a tax be a good reason for the Bank to advance four millions to Government?—The financial condition of the Government must always act upon the Bank, directly or indirectly.

2050. Would the Bank think the necessity of the Government a sufficient authority to issue four millions of Bank notes?—No; but there was to be a Bill brought into Parliament in the year 1822; and in the year 1816 it was with the sanction of Parliament.

2051. In 1825, the Exchanges having imposed upon the Bank the necessity of reducing the circulation, and the reduction having taken place down to November 1825, and the Panic having broken out early in December, do you think that that reduction of Bank notes had a material tendency to produce the crisis called “the Panic?”—The reduction of notes at that time was a very delicate task, for it was about that period that credit began to give way, and a very considerable Banking house stopped; but the reduction was in a great part effected by the Public itself more than by the Bank.

2052. Are you aware what the price of exchequer bills fell to in September 1825?—They fell to 90s. discount, for a few days, I think; I do not recollect what they were in September.

2053. If they fell to a discount at that time, would not it be a considerable embarrassment and difficulty to the Treasury?—Yes, because the revenue is payable in exchequer bills at par.

2054. Do you recollect the circumstance of any communication made to the Treasury at that time, in consequence of that price of Government securities?—I cannot speak as to the month of September, but there was some communication with a view to the Bank relieving the market in some period of 1825.

2055. Why was it thought necessary to relieve the market?—The Government could never leave Exchequer Bills at a discount, because then they would get no revenue; if the market will not carry them at a premium, they cannot for any length of time let them remain at a discount, or else they would come in instead of the revenue.

2056. And you think an application was made to the Bank to relieve the Treasury from that state of things by the purchase of Exchequer Bills?—At some period of 1825.

2057. Was that at the period when the Bank for its own security was thinking

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of effecting a reduction of its notes?—I cannot recollect; the application would not come to me, it would come to the Governor himself.

2058. Then are the Committee wrong in supposing that every Director of the Bank could give detailed information upon these subjects?—He can state that which comes before him; it would come before the Governor in the first instance, and when the Governor had consulted a few of the older Directors, he would come to the court and state all that had passed, and we should become participant in the knowledge of it, and jointly responsible.

2059. You have stated that the reduction effected in 1825 was necessary for the security of the standard of payment in gold at 3*l.* 17*s.* 10½*d.*?—Yes, during great part of it it was.

2060. Was it the fact, that during the period while the Bank thought it necessary for its own security to reduce its circulation, it refused the application from the Government requesting it to increase its circulation for the purpose of protecting the Government?—The application was during the Panic, and in order to relieve the Public.

2061. Can you state the particulars of any communication made by the Bank to the Government, or made by the Government to the Bank, at the period when the Bank applied to the Government to purchase Exchequer Bills by an increased issue of notes, the Bank at that period considering it essential to its own security to reduce its issue of notes?—I cannot speak with satisfaction upon that point.

2062. It appears that the price of Exchequer Bills in July 1830 is quoted as high as 84*s.* premium?—That must have been before the reduction of interest, if it was so; I do not believe that Exchequer Bills, bearing three half-pence a day, ever bore that premium; I believe that 68*s.* or 69*s.* was the highest price they ever bore.

2063. The price of Exchequer Bills having fallen, by April or May 1831, as low as 4*s.* premium, did any communication take place at that time between His Majesty's Government and the Bank upon that state of the Exchequer Bill market?—I do not immediately recollect any.

2064. Would not that fall be a fact considered by you as of importance to His Majesty's Government?—If a fall of Exchequer Bills should take place so as to bring them so near par as about 4*s.* premium, I should think it improbable that the Governor of the Bank should not have some communication with the Chancellor of the Exchequer; but I do not know, with respect to that occasion, whether any communication took place.

2065. Are you aware whether any communication took place respecting the advance necessary to pay the dividends in the subsequent month of June 1831?—I do not know of any other than the usual application on what we call deficiency bills; every quarter there is an application for a certain sum of money to pay the dividends.

2066. Did the Bank consider it consistent with the prudent conduct of their business to make the advance that Government required in June 1831?—I do not immediately recollect what objection there was to it; it is an usual demand, and it is usually complied with.

2067. Do you recollect any particular communication that took place in April, or May, or June, 1831, upon the subject of the debt of the Government to the Bank?—No, I do not recollect any thing of the kind, myself; the communication would take place, if it took place at all, in the first place with the Governor; and it is only when some measure emanates from it, that I have to do with it; I am only called upon, when the business is prepared, to say "Aye" or "No" to it; all the Directors cannot have access to the Treasury Chambers, and it must be done by a select few in the first instance.

2068. Did the Bank take any extraordinary measure to procure gold in 1825 or 1826?—In 1826 the Bank had recourse to the services of Mr. Rothschild to procure for them a supply of gold, when they found their coffers had been so much drained at the latter part of 1825; and through his instrumentality they obtained a supply to the amount of several millions in the course of a very short time.

2069. Was it at the expense of a considerable charge?—It was rather above the price at which they would have got it by other means.

2070. Could Mr. Rothschild have procured the supply without the balance of payment?—Certainly not.

2071. Can you state what the charge of Mr. Rothschild might have been for that

that exertion of his?—The Bank paid, I think, about 100,000*l.* more than it would have paid for it at the Mint price.

2072. Have you got a return of the amount of the bullion in the hands of the Bank, the securities in the hands of the Bank, the deposits and the liabilities, from the year 1819 to the present time?—I believe I have got them all before me.

2073. Do you hold the opinion to be a correct one, that the Bank should conduct itself, in its issues, with reference to the state of foreign Exchanges and the bullion market?—Certainly; I do not think there is one person in the Bank of England that denies it, or is disposed to act in opposition to it; but over and over again I have been responsible myself for violating it, when some extraordinary case has arisen, and I think I can hardly state a more extraordinary case than what has arisen at the present moment. Since the month of March, a most enormous amount of gold has found its way into the country, probably as great as ever found its way in a corresponding period of time. My reasoning would be, that the Public ought to have the benefit of that by an increased circulation. That is the effect that would have been produced, if nothing but the King's gold currency existed. At the present moment the Bank of England notes are at a lower point than they have been for some years; they are at 16,600,000*l.* Then a person would tell me that in pursuing that course I violate the very principle I contend for; and the fact is so; but I cannot help it, for the solution of the question comes thus: When His Majesty thought proper to send for the Duke of Wellington, portions of the Public chose to come to the Bank, and to take coin for their notes. There has been a diminution of nearly 2,000,000*l.* sterling in consequence of that, and I do not hesitate to say the Public is suffering very considerable inconvenience from the circumstance; but I do not know how to alter it. My business was that the Public should have a supply when they demanded it, and they had a right to demand it.

2074. From what period is it that the Bank Directors have conducted themselves generally upon the principles you mention, of regulating their issues by the state of foreign Exchanges?—It may be recollected that in the year 1819, when the Committee sat, there were some Resolutions forwarded to the Committee from the Bank, stating some of the principles they had regarded; and it will be recollected that they distinctly denied the principle, that the Exchanges were to be regarded in regulating the issues. Subsequently to that period, opinions became changed, and of course, in the working of the machinery, they found the merits of the case such as they really were; and a growing disposition manifested itself to heed in a greater degree than they hitherto had done the principle of exchange and of bullion; but in 1827 I moved that that Resolution should be rescinded, and from that moment I have considered it the practice of the Bank, and it was the practice in a great degree even previously to that. I always believed, in Mr. Horner's time, that his principle was completely right; and from being connected with the Exchanges, I was able to see many practical circumstances that tended to show that the fact was so; but, with regard to the Bank, over and over again they found the practice wrong, in their estimation, because the Exchanges did not follow the Bank of England circulation; but they did not know what the country circulation was then, and it was not till the year 1819 that we got a good account of the country circulation, and then we found that, putting the two together, it gave a very different account.

2075. What was the Resolution of the Court, which you moved to rescind in 1827?—The Resolution of 1819 was, that it was asserted by some, that the Bank has only to regard the foreign Exchanges, and, in the event of their being unfavourable, to reduce the circulation, the Bank can find no foundation for such an assertion. In the interval between 1819 and 1827, the different Directors seeing what was to be done, and becoming more accustomed to the subject, and having had the advantage of seeing the amount of the country notes, they became changed in their opinion, and by the year 1827 I thought the Court was ripe for the passing a recorded alteration, that we might not have in our books a Resolution in direct opposition to what we were acting.

2076. At what period, between 1819 and 1827, did the Court begin to act upon what you consider to be the sound principle?—I think I must correct it in this way: The Bank had been accused of rapacity, and of not meeting the resumption of cash payments, from grounds of cupidity, which certainly was not a tenable accusation; but being so challenged, and so much being said upon the subject, I think their feeling was, that they would at least go far enough in providing abundance

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of gold, that they would rather procure too much gold than too little, so that they might be able at least to assert it was not from interested motives that we have not complied with what Parliament requires; then, till they had accomplished that object, they did not look so minutely at the principle as might have been advisable, but little by little, after the year 1819, they adverted more frequently to that consideration, and they eventually found that the practice pretty nearly corresponded with the theory.

2077. Are the Committee to understand, that light began to break in upon the question about the year 1819, and that by the year 1827 the principle was so generally admitted, as to enable you to induce the Court to rescind the Resolution?—Exactly.

2078. So that the Bank was acting imperfectly upon the Resolution between 1819 and 1822, but it was not till 1827, or near the year 1827, that they came to a complete understanding upon that principle?—I recollect the circumstance, from being placed in a painful situation; I was the youngest Director in 1819, and when I was examined I was obliged to give evidence entirely discrepant from the evidence given by my colleagues at that period.

2079. Can you state the period between the year 1819 and the year 1827, when they practically began to act upon the contrary principle?—No; after the year 1819 they were frequently reminded of the principle, and instances were shown of the operation of it. It was first considered a theoretical notion, but subsequently it was found, little by little, that the practice did agree with the theory.

2080. Is it now admitted to be sound principle by every member of the Court?—It is; and the principle is acted upon thus, that individually as a Director of the Bank, I do not presume to alter the King's currency, but I endeavour always to bring the paper as nearly as possible to what the currency would be if no Bank existed, and the currency were all gold.

2081. Did not the Bank act upon the principle you describe as their present principle, in the year 1825?—In the measures of 1825, the Bank acted in accordance with the principle I have named, generally speaking.

2082. It is stated in the Report of the Committee in 1810, speaking of the Bank prior to the Bank restriction, that although the Directors then examined did not lay down the principle that it was necessary for the Bank to guide its issues by the Exchanges, yet that the Bank had during all periods guided its issues very much by that principle, that they had always reduced their circulation during an unfavourable Exchange?—I have made some inquiry about the period after the American War, and I believe there were divided opinions then, but that upon the whole the Bank did not so greatly disregard that principle previously to 1792; but it is necessary to observe that the Bank has not, until latterly, been in a situation exclusively to judge for itself; when it was most in fault, it was most in accordance with the Government and the Parliament and the Public at large; I believe the most unpopular tenet that ever was, was the being a bullionist, twenty years ago.

2083. Must not the Bank, governed as it is by prudent merchants, always proceed upon the principle of reducing their issues, when they find their treasure greatly diminished?—I think the practice of the Bank would make that inevitable; but the difficulty has been, that during the period I have been speaking of, the measures of the Bank have been very much in connection with other things than those it exclusively could influence.

2084. The principle of the Bank now being to permit the Public to act in reducing its issues, by presenting its notes for gold during an unfavourable Exchange, does that principle very materially differ from what has been the conduct of the Bank at all times during the period of cash payments?—If there had been no currency to be restored, and the Bank had had only to administer currency since the Peace, and had begun by disregarding the theory, the practice would soon have brought them to the conclusion, that they must do it; but I am always bearing in mind that we were obliged to restore cash payments; we were obliged, when the feeling became so manifest with regard to the forgeries, to obtain a supply of gold to provide for the one and two pound notes, and to disregard for the moment the principle of currency in some degree, for the purpose of procuring that supply.

2085. When, at the period of the Panic of 1825, you made a large issue of paper under a diminishing amount of specie, did you not then violate that principle?—Only for a very short period, for the effect became soon produced: in December the circulation of the Bank became enormously increased, but the credit of the country

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country became more than proportionably reduced, therefore the momentum of the two was different from what would have been supposed.

2086. You have stated, that in case you foresaw an unfavourable harvest, or any other circumstance that was likely to turn the Exchange against the country, you would anticipate that by acting upon the currency; do you think it would be right for the Bank to act upon the currency of the country, independently of the action of the Public upon the Bank?—No, I cannot say that; I might simultaneously find something connected with the country that was to be regarded, but I am supposing other circumstances to be the same; although the Exchanges might be at the present moment favourable, I should anticipate their becoming unfavourable under the influence of a bad harvest, and I should prepare accordingly.

2087. In what manner should you prepare?—By shortening the amount of currency.

2088. In what way?—I have always endeavoured that the Bank should be possessed of a certain number of securities always coming into it, so that a discretion should be exercised as to whether we should re-issue it again; there is a considerable amount always comes in now from the Annuities, the Dead Weight brings in a considerable excess annually, and other assets of that description, which monies are perpetually coming in, and I should withhold the re-issuing of those; I should not make a forcible operation, by disappointing any person of discount, or by selling exchequer bills; if I had silver at my disposal, perhaps I should send the silver over to Paris, and draw against it; and I should come last to those things that attract the most comment and the most observation, thinking the quiet mode of acting the most beneficial to all parties.

2089. Then you would act by lessening the amount of securities in the hands of the Bank?—On very extraordinary occasions.

2090. Then you do not consider it essential to the management of the Bank, to keep the amount of the securities in the hands of the Bank even?—Under ordinary circumstances I should keep them as nearly the same as I could; but I must be prepared for interruption from the ordinary course of things, from time to time.

2091. Are the opinions you have just stated your own opinions only, or are they the opinions upon which the Bank are now prepared to act practically?—I do not think that I am authorized to say that the Bank Directors collectively entertain exactly the opinions that I do, but I do not recollect any period when there was less difference of opinion among the Court of Directors than at the present time.

2092. Are the Bank Directors now prepared, as a principle, to contract their issues in the anticipation of uncertain events, without the Public operating upon them by a call for gold?—I did not say with reference to an uncertain event; I said that if I had ascertained that there was a bad harvest and a coming in of foreign grain; I intended to refer to an event of such magnitude as would defeat common computation.

2093. Do you mean after it is ascertained that the harvest is bad, and that an importation from abroad is certain, or before that period actually arrives, in the mere prospect of such an event?—The position I take is, that whether it is a bad harvest, or whether it is a war, or whatever circumstance might occasion an extraordinary demand for money to send abroad, instead of waiting till I saw the effect produced upon the Exchanges, I should anticipate the event by a small alteration of the notes.

2094. Does it not amount to this, that if you saw for certain an approaching bad harvest, or a demand for money to be sent abroad for any purposes of war or any thing else, you think it would prevent sudden jerks in the Exchange to begin early, and that in fact you would make preparation for the demand you see coming, instead of waiting to prepare till it is actually at the door?—Exactly; provided it was of a very extraordinary character.

2095. But would not that system practically bring with it this difficulty, that whenever it should unfortunately happen that the country should be threatened with a scarcity of food, it would have immediately the difficulty of a scarcity of money?—I am afraid that is one of the inherent defects; the probability is, that the Governor of the Bank would communicate with the Government, and the benefit of the Government information would be obtained, and it would be considered whether it was necessary and in what degrees any thing of the kind should be done.

2096. Can you state whether in point of fact, in the present management of the Bank,

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Bank, they do wait till the demand for gold actually arises, before the contraction takes place, or whether you anticipate the period of such demand by the action of the Bank?—I do not think there is any resolution recorded to so nice a point as that; but I believe there is not one person in the Bank direction that does not consider it a sacred duty to regard the principle of currency predominantly above any other consideration, and to do always the very best that can administer to good currency.

2097. Will you explain, in detail, what meaning you attach to the words “the principle of currency”?—I mean, that it is indispensable that a metallic standard of value should be observed in this country; it rests with Government to advise His Majesty what that standard should be, gold or silver. The Bank of England possesses the power of issuing notes in substitution of that currency, which has been decided to be gold; then the duty of the Bank is to take care that the Public shall have no cause of complaint, by finding that some pernicious effect shall attach to the issuing of the notes, that would not have occurred had the currency been confined to gold; and that I call pretty nearly the principle of currency, so far as the Bank is concerned, to keep in view the foreign Exchanges and the state of the bullion market, so that the Bank should be at least disposed to increase its notes with a favourable exchange, seeing that the gold will of itself become increased if no notes existed.

2098. Does the principle of currency mean any thing else than that the Bank note shall be always on a par with gold?—I consider that if the market price of gold materially exceeds the Mint price for any length of time, the principle of currency is violated. The principle is, that the Bank ought to issue notes that will best circulate in connexion with the market rate of gold, of 3*l.* 17*s.* 10½*d.* I was unfavourable to its ever being lower, and I think the principle of currency in some degree violated by the gold being 3*l.* 17*s.* 9*d.*

2099. Your wish is that the Public should never have any inducement to demand gold in exchange for your notes, from the impression that your notes had lost their value?—Exactly.

2100. Will not the interest of the Bank lead them not to have any great difference between the value of the notes and the gold?—It is as detrimental to the Bank as to the Public, to have those vibrations.

2101. If they merely regard the principle of taking care that the notes shall never be below the bullion, will not the Bank have done all that is necessary for themselves and for the advantage of the Public?—I believe so; I do not know, myself, any improvement that I could suggest upon the principle that now exists.

2102. You have stated that there is a great influx of gold; is there at present a greater influx of gold to the Bank, than is being taken out by the Public?—Yes, very considerable; and I believe it will have a very pernicious effect. This gold, that has come in from the other side of the water, I should think is above two millions already, since March. Suppose the dividends come out on the 9th July, and suppose those persons that have hoarded a million and a half, or two millions of gold, change their humour, and bring it to the Bank, you will then have two millions of notes more in the market, and you will have perhaps six millions issued from the dividends, making eight millions; and no man can deny that such an amount as eight millions of notes brought upon the public, in addition to about sixteen that now exists, is a most inconvenient situation; but I do not know how to avoid it; the dividends must be paid, and the parties must have the right of exchanging as they please, according to their caprice.

2103. Why cannot you pay some part of the dividends in gold?—It will all come back; the person has only to open a drawing account with the Bank, and he pays in the gold, because it is inconvenient; and he draws out notes, because they are convenient, and we cannot prevent it.

2104. Could you not direct the Branch Banks to discount in gold only?—I do not say that it could not be done, if you chose to have wheelbarrows to carry the payments about; but I mean, that practically it could not be done without great inconvenience.

2105. Suppose the six millions of notes issued are an absolute excess, will not the consequence of that be to lower the Exchanges, and to make the gold go out of the country?—Eventually it will be so, but inconvenience is suffered for a period.

2106. Supposing you were to issue two millions of gold, would not the tendency of

of that gold be, not to return to your coffers, but to leave the country?—You must first turn the Exchanges, and the Exchanges are now in our favour, for gold is coming in day by day.

2107. Then, where is the inconvenience of the issue of notes?—It is reasonable and right that it should be done; the inconvenience I complain of is, what may arise on any future occasion; suppose some fresh political event should take place.

2108. Can any evil arise from this issue of six millions of notes, unless the Exchanges are affected, and if the exchanges are affected, will not that be the natural corrective of the evil?—That position is most accurate as to that which will happen eventually, but in the intermediate space great inconvenience arises. We are now at the 21st of June; this day three weeks I assume that instead of 16 millions of Bank of England notes, there shall be 24 millions. Then I, for one, consider it a great practical inconvenience to have 16 millions of notes to-day, and to have this day three weeks 24 millions instead of 16.

2109. Does not that happen every half year when the dividends are paid?—I am showing that in addition to the usual alteration produced by the payment of the dividends, this capricious mode of dealing with the Bank will aggravate that which is itself an evil, to the extent of two millions in addition. Those persons who have taken the gold, have retained nearly two millions.

2110. If you reserve to yourselves the power of paying in specie instead of paying in notes, either a part of the dividends or any other payment you have to make, would not that remedy the inconvenience?—We could remedy that inconvenience by paying out the gold if we please, but it is impracticable to do so without doing that which is so inconvenient that the Public would not suffer it.

2111. If the Public send you in 20 millions of specie, cannot you put them into your vault and issue 20 millions of paper; if you think that upon a general view of your affairs, you have so much abroad that you cannot employ it, and if therefore you hold in your hands the very specie that has been sent in, does it not follow that there is no amount of specie that can be sent in that can embarrass you or put you under the necessity of producing any operation upon the circulation?—No, I do not complain so much of that which will affect the Bank, as of that which will affect the Public. The Public will probably find, three weeks hence, that they will have three notes for every two that they have at this time.

2112. If, having this superabundance of notes, you have the means of meeting them when they come in, what possible inconvenience can arise?—I say no inconvenience can arise to the Bank from that circumstance, but great inconvenience may arise to the Public, because the very circumstance of getting three notes instead of two in three weeks is a great inconvenience, in my opinion, from whatever cause arising.

2113. Have you not now a plan, when the Bank of England are preparing to issue the dividends, of advancing money upon the security of Exchequer bills, to any decent person that applies to you?—Yes, and a very beneficial plan it is, it is intended to qualify the extremes as much as possible.

2114. Do you not make very large advances in that way?—Yes.

2115. You have stated that inconvenience may arise to the Public, because the two millions which have been drawn out from the Bank in gold, which are at present hoarded, may be poured back into the Bank and notes taken out, and the circulation of the country be increased to that extent; would not the circulation be equally increased to that extent if those two millions of gold, which are now hoarded, were introduced as gold into the circulation of the country?—Exactly.

2116. Then it is merely depending upon the act of individuals, whether they will hoard, or whether they will not hoard, be this hoarding either of gold or paper currency?—Exactly.

2117. Could not you withdraw the 5*l.* notes if you chose, and if that were not sufficient to keep the gold in circulation, could not you then withdraw the 10*l.* notes?—It might be done, but I do not think it would be wise to do so.

2118. Do you mean to say that the Public are now hoarding?—It is quite beyond my capacity to understand that which has taken place; I only know that a sum of money, amounting to nearly two millions, has been called away in consequence, apparently, of one particular circumstance; then one would assume that when that circumstance became altered, the gold would come back, but it has not come back.

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2119. May not the circulation of the country be too low as well as too high?—may not there be an appreciation as well as a depreciation of currency?—Certainly.

2120. Is not that the state of things in instance at the present moment?—Certainly, I think so.

2121. Do you know the Mint regulations sufficiently to know whether, if a person has a quantity of gold which he sends to be coined, he can get that gold coined without considerable loss and inconvenience?—I think it takes about three weeks to obtain a supply; there are slight alterations at the Mint from time to time, but of course they occupy themselves in doing that which is most efficient.

2122. Does not inconvenience practically prevent the circulation being kept up to the quantity at which it ought naturally to be?—It slightly retards the effect that ought to be produced.

2123. Is not the effect of keeping the currency up to the proper quantity generally produced by the action of the Bank, and not by the action of individuals sending their gold to be coined?—It is generally done through the Bank, in which the Bank always loses something considerable every year; for instance, if an individual were to produce 1,000 *l.* in bar gold, and the Bank were to buy that gold at the Mint price, they would keep it by them for the convenience of the Mint, or keep it for exportation, and in that case the Bank suffers the inconvenience of three or four weeks' delay instead of the individual, and of course the interest of the money, which is always a consideration.

2124. Is it not an equal inconvenience for the country, to have the circulation kept too low, as it is for the circulation to be at an excessive point?—Nearly so.

2125. Is it not equally necessary for the country to have checks upon the one point as upon the other?—Equally so; the consequences are not so great in the one case as in the other, but it is equally erroneous in principle, in my estimation.

2126. But it is necessary to keep the Bank notes as much as possible always upon an exact level with the value of gold?—Exactly.

2127. Do you recollect Mr. Ricardo's plan?—Perfectly.

2128. Did not Mr. Ricardo's plan provide a check?—Not more than the present plan of the Mint.

2129. Has it not been the practice of the Bank to prevent individuals from sending their gold to the Mint to be coined?—I think not.

2130. Has not the practice been this, that when the Bank heard that individuals had sent their gold to the Mint to be coined, the Bank have sent their gold also, and that, by the Mint's regulations, they have had a priority over those private individuals; and that, in point of fact, individuals have frequently been kept three or four months before they got their gold coined?—I do not know such a circumstance; such an irregularity as that might happen accidentally, but I do not believe it ever happens intentionally upon the part of the Bank.

2131. Are you aware of the Bank having any priority at the Mint over private individuals, in getting their gold coined?—I am not aware.

2132. Are you aware of the Bank ever sending, between the night and the commencement of the regular office hours of the Mint, a large sum of gold to be coined, in order that they might obtain a priority over individuals?—I do not know that that is the case; I do not believe any such intention exists upon the part of the Directors of the Bank.

2133. In point of fact, is it not the interest of a person who has bullion, to send it to the Bank in preference to sending it to the Mint, to be coined?—Upon certain conditions; sometimes the Bank have given only 3*l.* 17*s.* 9*d.* for gold, and then there is a loss of three halfpence, which is worth something to them; but, generally speaking, I think it will be found that when the Bank buys it, it suffers the small detriment of letting it remain in its coffers till coined, and therefore it ministers to the convenience of the individuals that bring it, and saves them something in point of expense.

2134. Has not some alteration taken place, within these three years, in the regulations of the Mint, by which coin is delivered much earlier in place of bullion?—Mr. Mushett gave evidence before the Committee in 1819, showing that he could have coined an enormous quantity, if necessary; and I believe shortly before his death there was an alteration, and a considerable improvement.

2135. Do not they give what are called Mint debentures now?—I do not know; the office at the Bank is so good an office, that that generally will supersede all other considerations; there is the Bullion Office, for which the Bank charges nothing;

nothing; they have got their scales and weights, and very confidential people to weigh it out accurately; the custody is taken care of, and the best vaults in the world; and it is so convenient in every respect, that it generally supersedes every other consideration.

2136. Does not a great portion of the bullion that comes from abroad now, come in the shape of sovereigns?—They do sometimes from Paris; but there is a great deal comes from other places, a quantity of Sisee silver from China.

2137. Does not more than one-half of what comes from the Continent come in the shape of coin of this country?—I do not know what is the proportion.

2138. What amount of gold will a man take by weight without counting it; supposing you had to pay 1,000*l.* and you choose to pay it in gold, does the person who takes the gold insist upon its being counted?—No, he would be more liable to errors by counting than by having it weighed; the Bank find the weighing better than counting.

2139. Where is the physical impossibility of paying gold to any amount, if the customers prefer taking it by weight?—At the clearing house, I have been told that many millions pass; suppose the bankers had withheld from them the notes, they must have a truck with so many bags of gold, of thousands each, passing along Lombard-street, to adjust the account.

2140. If they had accounts with the Bank, could not they employ drafts?—They might find out some intermediate state of things by some ingenuity.

2141. If there was a state of things of that kind to exist one day, would it last a week?—There is nothing in principle to prevent it.

2142. With regard to the difficulty that the Bank is now under, what reason is there why they should not increase their notes?—It is that they have already increased their notes, and the Public have thrown back the increase upon them, and run for gold upon them.

2143. Is there any thing in the state of the paper circulation of Country Banks, or in commercial enterprise, that would lead you to think it inexpedient to increase the issue of notes of the Bank of England?—No; the policy of the Bank is to increase their notes, but at the present moment they are interfered with in that policy.

2144. Is there any reason for the course that the Bank is now acting upon?—The reason is this, the Bank seeing the gold coming in, desire to increase its issues, and the increase they desire is now defeated by the action of the Public.

2145. Is not the large influx of gold owing to the deficiency of imports and articles of commerce?—To low prices generally.

2146. Will not the prices of articles of commerce rise as the stocks in hand of those articles diminish, and will not increased imports necessarily follow, and will not this occasion an export of the gold now flowing into the Bank?—It would do so eventually, if there was not a counteractive influence from the Manchester manufacturers and others continuing to send out their wares.

2147. Will not the price of gold fall in consequence of the excess on hand, and will it not become a profitable article of export?—Eventually this result must come by a general rise of prices of other commodities.

2148. Is not this the natural remedy to the inconveniences of which you spoke?—No doubt, all inconvenience would be rectified ultimately; I am only speaking of the intermediate period.

2149. With regard to the answer you gave as to the nature of the Bank's operations when they anticipate a bad harvest, do the Bank on such occasions operate in consequence of their own opinion as to the prospect of a bad harvest, or do not they rather operate in consequence of the indication which is given by the operations of those who are engaged in the corn trade, namely, the quantity of bills drawn from abroad, which are drawn, in anticipation of shipments of corn?—They get the best information they can to ascertain the fact, and when they find the fact to exist by a demand upon the Bank for bullion, they act accordingly; there are various indications, of which that mentioned in the question is an important one.

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THE RIGHT HON. LORD VISCOUNT ALTHORP, IN THE CHAIR.

Jeremiah Harman, Esq. called in; and Examined.

*Jeremiah Harman,
Esq.*

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2150. YOU were in the Bank direction for a great many years?—I was; I went into the Bank direction in the year 1794, and I retired from it in 1827.

2151. Will you state the principles which guided the Bank in their issues of paper, during the different periods of the time you were in the Bank direction?—The first principle, was attention to the security of the Bank itself, in which we considered the safety of the Public, of course, very much involved; to render a much service as we could to the Commercial community with propriety, always having reference to the means which we possessed of fulfilling our engagements.

2152. What proportion of bullion did you conceive it requisite for the Bank to keep, as compared with their liabilities, both in the issue of paper and their deposits?—It was impossible for us always to judge in that respect; from various circumstances the quantity of bullion which we possessed varied so very much, that I must honestly confess that we never drew any line by which we should be actuated in that respect.

2153. Then you had no fixed opinion as to what proportion, upon the average, it was right to have of bullion to your liabilities?—During the greater part of the time in which I was in the Bank,—because I was in the Bank only two years before the restriction,—during the greater part of that time it was quite impossible for the Bank at all times, and indeed very rarely, to possess so much gold as they would very gladly have possessed, from the constantly unfavourable state of the Exchanges, which I conceive it was not always in our power to counteract. I was only two years in the Bank before the restriction. At the time of the restriction I was out, as the phrase is, by rotation, and I did not come in again till after the restriction was laid on. I do not of course say that with any view of absolving myself from responsibility; but I mean merely to state a fact.

2154. During the time of the restriction, as you did not pay in bullion, it was of little consequence, of course, what amount of bullion you kept by you?—We should have very gladly kept up the proper proportion of bullion, but it was utterly impossible to do it.

2155. Do you consider that the Bank in its issues ought to have any reference to the par of the Exchanges?—That is a question which has been put to me repeatedly when I have had the honour to attend before Committees, and I hardly know how to answer it; that we always adverted to it I must positively assert, but that we always acted upon it I must confess that we did not, because I do not think it was possible to do it, more especially under the circumstances in which the Bank was placed during the restriction.

2156. Will you describe the measures which the Bank took to prepare for the renewal of the payments in cash in 1819?—That involved a long period, and there were many occurrences that interrupted any regular plan of operations; but the measures were to obtain gold whenever we could do it; it was my opinion, and I shall have no reserve whatever in giving my opinion, and taking the responsibility or blame that may attach to me personally, but it was my opinion that it was fruitless to attempt to obtain and retain gold when the Exchanges were against the country.

2157. You said there were many circumstances which interfered with your intention of procuring gold; will you state what those circumstances were?—I do not positively mean that they interfered with our procuring gold, but they interfered with that regular series of preparation which it would have been our wish to make.

2158. What were those circumstances?—The chief circumstance was the fluctuation, and the calls upon us of various kinds from the commercial part of the community, and frequently from the Government itself.

2159. Can you state the periods and the nature of those calls?—Having been out

out of the Bank so long, and having no intercourse whatever with it, I did not come prepared to enter into detail; but as far as my recollection goes, I am quite willing and desirous to give any information in my power.

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2160. In 1819 did the Bank consider itself sufficiently supplied with bullion to resume cash payments?—I should think we were.

2161. Did you take any measures to increase the supply of bullion after 1819?—Not having the dates, I cannot answer that question satisfactorily.

2162. Did you take any measures in order to increase the circulating medium in 1821 and 1822, for the purpose of relieving the country from the low prices which then existed?—I must plead want of recollection of the particular periods.

2163. About that time did you take any measures for the purpose of increasing the circulation of the country?—If I had known that these questions would have been put to me, I would have refreshed my memory by referring to documents which are not in my possession; but I can only say that there was every disposition on the part of the Bank Directors to meet the calls upon them which the taking off of the restriction would make them liable to, to do every thing in their power, which was necessary and proper for the object.

2164. Do you recollect any arrangement made by the Governor of the Bank, about the year 1822, that had for its object the increasing the circulation of the country?—Yes.

2165. Did that lead to an increased issue of Bank notes following that period?—I think it did.

2166. The circulation does in fact appear to have increased between the period of the beginning of 1822 and the beginning of 1825, to the extent of about four millions?—I believe there was an increase of four millions about that period.

2167. Do you recollect whether that four millions was issued upon advances to Government, or upon discounts to the commercial world?—I should think both.

2168. By a paper before the Committee, it appears that the discounts at the Bank, at the beginning of 1822, were 3,100,000 *l.*, and at the beginning of 1825 they were 2,400,000 *l.*; therefore there was a diminution in the discounts; does it not therefore follow, seeing there was an increase of four millions of Bank notes during that period, that those notes must have been issued either upon advances to Government, or on mortgage, or other advances to individuals, different from advances on discounts?—Decidedly; that follows as matter of course, because we should not issue our notes but upon what we considered solid security.

2169. The amount of bullion, as appears from the Paper before the Committee, held by the Bank in February 1822, for the average of the year up to that period, was 11,600,000 *l.*; and for the average of the year ending February 1825, 11,800,000 *l.*; so that there could only have been 200,000 *l.* of notes issued on bullion deposited at the Bank?—In the years 1824 and 1825, there was a very considerable reduction of the amount of bullion, but also a very considerable reduction of our floating Government securities, to the amount, I should think, of four millions and a half.

2170. With respect to the issues prior to February 1825, does not it appear, according to the figures that have been quoted, that those issues could not have been issues upon bullion, but that they must have been either on Government securities or advances on mortgages, or advances on stock, or upon advances of a similar description?—Yes.

2171. Between February 1825 and the end of November 1825, a diminution of the circulation of the Bank appears to have taken place to the extent of three millions and a half; do you recollect the circumstances which occasioned the Bank to reduce its notes during that period?—The fact was, that about the month of April 1825, we began to find a very serious diminution of our bullion; the Exchanges fell, and although I do not mean to say that it was the leading motive which influenced the Directors, yet at that period there was an excessive rage for speculation, and I, for one, certainly did not think that that was a sort of spirit that it was the duty of the Bank Directors to encourage; that may account in part, perhaps, for the amount having been reduced.

2172. Do you recollect to what extent the bullion of the Bank was reduced, between February 1825 and the end of November 1825; was it to a very material degree?—Very, a great many millions; I should think in May or April 1825, we had about ten millions of bullion, and by the month of November it was reduced to 1,300,000 *l.*

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2173. Would not that reduction impose on the Bank the absolute necessity of reducing its issues of notes, independently of any consideration of speculation among the Public?—No doubt.

2174. Do you recollect that that increased issue of Bank notes between 1822 and 1825, was accompanied with a considerable advance of prices of property and commodities in this country?—Certainly.

2175. Do you think that that advance of prices was connected with that issue of Bank notes?—No, I did not.

2176. The price of Consols in February 1822 being 74, and in February 1825 being 94, do you think that the price of Consols had advanced, as connected with the issue of Bank notes?—Not the least, in my humble opinion.

2177. Between February 1825 and November 1825, the price of Consols fell down to 84; do you think that the reduction of Bank notes which has just been spoken of, during that period, had any effect in reducing the price of Consols?—I must change all my notions before I can answer in the affirmative.

2178. Do you think that a diminution of the notes of the Bank has a tendency to make money scarce in London?—Yes, I think it has.

2179. Has it a tendency to raise the rate of discount in the London market?—Certainly.

2180. Has it a tendency to cause sales of stock and exchequer bills?—To a certain extent, if you suppose that it is a violent operation; that it is to a very great extent, not gradual.

2181. Do you remember the commercial situation of London during that year?—I do.

2182. Was it one of considerable distress and difficulty, as well as of speculation?—The latter end of the year, but not the beginning of the year; in the beginning of the year 1825, on the contrary, every thing was in the most joyous state possible.

2183. Highly prosperous, do you think?—We were told so, from the highest authority.

2184. But before the close of 1825, it appeared to be a period of great commercial embarrassment and distress?—Yes.

2185. Do you remember at what period of 1825 this distress began to appear?—Late in the year.

2186. Can you fix any particular date?—I should say it came on gradually, but this is a matter of recollection; I should think the distress came on gradually, from the month of September very gradually; it went on increasing from that time to the end of the year, in December.

2187. Did it go into 1826?—I think not.

2188. It appears, by the Papers before the Committee, that the Bank sold exchequer bills, in the quarter ending September 1825, to the extent of nearly a million; was it about that time the difficulties took place in the money market?—Yes, that is symptomatic; a sale of exchequer bills on the part of the Bank, is a sign that they thought some measure of that sort was desirable; because the Bank have a twofold duty, and a very difficult one it is, they have to take care of their own Proprietors and the Public too.

2189. Exchequer bills seem to have fallen, in the months of August and September 1825, to a discount; do you recollect that circumstance?—The period I do not immediately recollect, without referring, but I should think that was so.

2190. Do you recollect whether any communication took place between the Government and the Bank of England, about that period, upon the subject of the low price of exchequer bills?—I cannot call it to mind.

2191. Do you recollect the circumstance of a delay taking place in the usual period of advertising the quarterly repayment or exchange of the exchequer bills, in September 1825?—There was something of that sort.

2192. Did you become acquainted with the cause of that delay?—I cannot say, but I think the cause was obvious.

2193. Will you state what it was?—If I may be excused answering that question, I would rather, as I wish to speak with the utmost correctness.

2194. Do you recollect whether it was by the suggestion of the Bank of England, that that postponement took place?—My recollection, I might almost say my conviction, is, that it was not; but there I am involved in the difficulty which I anticipated, that I cannot answer with certainty.

2195. You

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2195. You are aware that when the Government advertises exchequer bills to be paid off or exchanged, it gives an option to the holder of that exchequer bill, either to take money or to take a new bill; are you of opinion that if exchequer bills should be at a discount during the period when that exchange takes place, that that would occasion a demand of money from the Government instead of new exchequer bills?—Yes.

2196. Do you know the amount of exchequer bills that are usually exchanged each quarter; is it four or five millions?—Yes, but I think it fluctuates; I cannot recollect any particular sum.

2197. Is it not more than two millions?—I should think more than two millions, in general.

2198. Would it be the interest of the holders of all those bills to demand cash from the Government, if the exchequer bills should be at a discount during such a period?—Palpably so.

2199. Would the Government, then, feel perfectly secure in issuing an advertisement, by which they bound themselves to give money or to give new bills, at the option of the holders, for several millions of exchequer bills, unless they could provide against the exchequer bills falling to a discount at such a period as that?—No, I should think it a very imprudent measure, if they had not the ways and means in their power.

2200. Would not the Government apply to the Bank, under such circumstances, to request the Bank to secure that exchequer bills should not fall to a discount, by the purchase of exchequer bills in the market?—Yes, and such things have been.

2201. Do you recollect whether such an arrangement, originating either with the Bank or with the Government, took place about that period, prior to the close of the September quarter of 1825?—I do not recollect; but that there was intercourse between the Treasury and the Bank upon the subject of exchequer bills subsequently to that period, is certain.

2202. But you do not recollect any intercourse prior?—No, I do not; I do not say it did not take place, but I do not recollect.

2203. But you would think it very imprudent for Government, at a time when exchequer bills were at a discount, to commit itself by such an advertisement as has been described, without making an arrangement with the Bank, which should secure that the exchequer bills should not fall to a discount?—I take it for granted, that if either the Government or an individual have a call coming upon them, it is their duty to provide means for discharging it.

2204. At that period, you have stated that the Bank of England was effecting a reduction of its issues of notes; did you think that a reduction necessary to the safety of the Bank?—That again involves a very interesting question; I conceive that it is quite impossible to say what the consequences of any measure may be beforehand, and the reduction of the Bank notes during a time of panic might be of very serious consequence.

2205. The question refers to the period prior to the Panic, which took place early in December?—The mode in which we reduced our Bank notes was by the sale of Government securities.

2206. Thinking that step necessary for the safety of the Bank, its bullion rapidly diminishing?—Decidedly.

2207. If the Government applied at that time to the Bank, to purchase exchequer bills by an increased issue of Bank notes, did not the Government apply to the Bank to adopt a measure inconsistent with its own security?—It certainly was not a very desirable measure.

2208. In the answers you have just given, do you contemplate that at that time there was a great pressure upon the credit, both of the Government and of the Bank?—Yes.

2209. So that if the Bank assisted to issue Bank notes by the purchase of exchequer bills, in order to relieve the difficulty of Government, that might endanger the security of the Bank, and if it refused that measure, it might endanger the security of the Treasury?—Yes.

2210. Do you recollect the circumstances of the commercial world during the months of October and November 1825?—Full well.

2211. Was it a state of very great, increasing difficulty and embarrassment?—Dreadful.

2212. You were understood to say that the bullion of the Bank was reduced by the end of November to 1,300,000*l.*?—That is my recollection.

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2213. Was that prior to the breaking out of the Panic?—No, the Panic had begun then; I will not charge my memory whether it was by the end of November, or in the month of December; but I think it was in the latter end of November.

2214. Were the Bank placed in great danger in the month of December 1825, in consequence of that short supply of bullion?—No question about it.

2215. Did exchequer bills fall greatly in the month of December 1825?—Yes, so much so, that if the Bank had not lent its aid in a most uncommon manner, there would have been a complete stagnation of every thing.

2216. And a total destruction of the paper system of the country?—I will not say that; there would have been a complete stagnation, in my opinion.

2217. Will you describe the manner in which the Bank lent its assistance at that time?—We lent it by every possible means, and in modes that we never had adopted before; we took in stock as security, we purchased exchequer bills, we made advances on exchequer bills, we not only discounted outright, but we made advances on deposit of bills of exchange to an immense amount; in short by every possible means consistent with the safety of the Bank; and we were not upon some occasions over nice; seeing the dreadful state in which the public were, we rendered every assistance in our power.

2218. Do you recollect various communications with the Treasury during that month of December?—Yes.

2219. Are the circumstances of those communications now fresh in your recollection?—There was a continual communication with the Treasury of what was going on from day to day, and almost from hour to hour.

2220. Did the Government recommend to the Bank an increased issue of Bank notes at that period?—Whether they recommended it or not, may admit of a question, but that they encouraged it is most certain.

2221. Did the Bank state to the Government the low amount of its bullion at that time?—The Minister knew every thing, there was no concealment.

2222. Did the Bank represent to the Minister that an increased issue of Bank notes at such a period as that, might probably cause a stoppage of the Bank?—It was so obvious a thing, as the Government had the whole detail before them, that it was hardly necessary to point out to them what might be the consequence; it was an effort to stop the plague.

2223. Do you remember whether His Majesty's Government pointed out to the Bank any course for the Bank to adopt in the event of the gold being exhausted?—I do not exactly understand the meaning of the question.

2224. Did any communication take place between the Bank and the Government, respecting an Order in Council to restrain payment in gold at that period?—Yes, it was suggested by the Bank.

2225. What answer did His Majesty's Government give to that?—They resisted it from first to last.

2226. Did the Government suggest any other course, in refusing the suggestion of the Bank?—No, they left the Bank to act at its discretion, hoping that the Panic would subside; and it is to be observed, that though our treasure was so much reduced, even much more reduced as we approached the crisis, we were at that period receiving gold, because we strained every nerve to get gold from the Continent. Bullion came in, and the Mint coined; they worked double tides; in short they were at work night and day; we were perpetually receiving gold from abroad and coin from the Mint.

2227. Was there a period, in December 1825, during which the Bank contemplated the great probability of being entirely exhausted of gold?—At the latter end of 1825, decidedly.

2228. Do you recollect the lowest quantity of gold which the Bank possessed during any period of December 1825?—No, I do not remember immediately; but it was miserably low.

2229. Was it under the 1,300,000*l.* you have mentioned?—Unquestionably.

2230. It was stated by the late Mr. Huskisson, to a Member of the House of Commons, that he, as a member of the Administration at that time, suggested to the Bank, that if their gold was exhausted, they should place a paper against their doors, stating that they had not gold to pay with, but might expect to have gold to recommence payment in a short period; do you recollect such a suggestion?—There was such a suggestion.

2231. What would, in your opinion, have been the consequences of that paper placed

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placed against the door of the Bank, without preparation to support commercial and financial credit?—I hardly know how to contemplate it.

2232. The Bank of England issued 1*l.* notes at that period; was that done to protect its remaining treasure?—Decidedly, and it worked wonders; and it was by great good luck that we had the means of doing it, because one box, containing a quantity of 1*l.* notes, had been overlooked, and they were forthcoming at the lucky moment.

2233. Had there been no foresight in the preparation of those 1*l.* notes?—None whatever, I solemnly declare.

2234. Do you think that issuing of the 1*l.* notes did avert a complete drain?—As far as my judgment goes, it saved the credit of the country.

2235. The Committee have before them a Table, which was given to the Committee of 1797, of the scale of cash and bullion in the Bank prior to the Restriction Act, in which Table the amount of bullion, according to a scale number of spare cash, is stated as 660; do you remember what amount of bullion that represented?—No, I was a very young Director then; and I confess honestly it was a *hocus pocus* which I did not thoroughly understand, though of course I knew the actual amount at the time.

2236. It appears that an issue of gold was made by the Bank between October 1817 and April 1819, to the amount of nearly seven millions, the Bank Restriction Act then being revived; do you recollect the circumstances under which that gold was issued?—It was issued by way of anticipating the measure, and in the hope that by gradually getting out gold we should lessen the effects of a sudden emission of it.

2237. Did that gold enter into circulation and act as money, or was it made use of as bullion for the purposes of exportation or being melted?—I cannot recollect; it was not issued with the view of its being exported, but it was issued with the hope of its getting into circulation gradually.

2238. Do you think it was exported?—That must have depended upon the state of the Exchanges at that time.

2239. The price of gold during that period having varied from 4*l.* 1*s.* to 4*l.* 3*s.* an ounce, could any of that gold enter into circulation?—I am afraid not much.

2240. Must not the consequence have been, that it was either melted or exported?—Yes, but if it were melted and exported, I conceive it was not useless, because I take it for granted that the balance against the country required remittances, which the gold would supply.

2241. During this period, the fact being that a demand existed for exportation, the balance being against this country, did this supply of gold from the Bank go to meet such demand?—As far as it went, it must have produced that effect.

2242. As the price of gold at that period in the market was from 4*l.* 1*s.* to 4*l.* 3*s.*, and as the Bank supplied gold at 3*l.* 17*s.* 10½*d.*, did they not supply the market at a rate under the market price?—At their own cost.

2243. If the Bank had refrained from issuing this gold at this period, and had retained in its coffers the whole seven millions, would not the case have been, that the price of gold in the market would have advanced?—No question about it.

2244. Might not gold have advanced from 4*l.* 1*s.* or 4*l.* 3*s.* (which is 3½ to 6 per cent above the Mint price, and which is a premium upon a guinea of 8*d.* to 1*s.* 3*d.*) to 5*l.* or 5*l.* 10*s.* an ounce, and to the premium on a guinea of 5*s.* or 10*s.*?—If there was a demand for gold for foreign remittance, and gold could be obtained, it certainly would come in aid of the demands against the country; to what amount or to what price the gold would have risen in the market, what the difference would have been, it is impossible for me to say.

2245. It might have been to 5*s.* or 10*s.* premium upon the guinea, or it might not?—It might have been to any given amount.

2246. Would not any estimate of the rate of depreciation of our paper money during this period have been a worthless estimate if it were founded upon the price of gold in the market, and did not take into calculation the manner in which the operation now referred to necessarily affected the market price of gold?—I hardly know how to answer that question.

2247. Do you think that if the prices of property and commodities advanced in that period from 20 to 50 per cent, the probability is that the price of gold would not have followed in that degree if it had not been influenced by this operation?—That is rather too speculative a question for me to answer on the spur of the moment.

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2248. Do you concur in this, that the object was to get gold into circulation, and that the effect was to depress the market price of gold?—It is possible that I may err as to the precise time; it seems palpable that by issuing gold at 3*l.* 17*s.* 10½*d.* when the price of gold was 4*l.* and upwards, it was not very likely to remain in circulation, and therefore I am jealous whether I am answering as to the proper period.

2249. The Bank being then under no compulsion by law to pay in gold, gold being then rather an article of merchandize than money, do you think that that operation was calculated to affect the market price of bullion, in a similar manner to an operation which should throw upon the corn market a large quantity of corn at 40*s.* a quarter; that is, would not the one operation tend to depress the bullion market, in the same manner as the other would tend to depress the market price of corn?—To a certain extent; if the calls for gold for export were limited, and the amount issued were sufficient to meet them, it would have the effect alluded to.

2250. It would depend upon the demand?—Decidedly.

2251. It has been stated that the present system of the Bank is to reduce its issues of notes whenever an unfavourable exchange drains the Bank of its treasure; do you think that that was at all times during cash payments the manner in which the Bank conducted its issues of notes, namely, to reduce its issues at a period when its bullion was reduced by a drain through an unfavourable Exchange?—I do not think it always was; but now I am speaking of what I have been no party to.

2252. The question refers to the period of cash payments before the Restriction Act, in periods when the Bank was subject to payments in gold?—I cannot possibly say what the opinions or the acts of men were so long ago; but my honest opinion is, that it did not always operate in that way.

2253. Do you think it generally did, or that it generally did not?—I take for granted, that if the Directors of the Bank saw that there was a strong run against the country, with respect to the Exchanges, it would make them very cautious; and that in all probability they would, as far as they could consistently with other duties, lessen the amount of their paper circulation.

2254. If the Directors of the Bank of England were men of common prudence and commercial experience, would it not necessarily appear to them to be a proper course to reduce their issues when their bullion should be greatly drained by an unfavourable Exchange?—Yes; but then comes another question, and that is, the risk that it may occasion to the commercial world; and the possibility that, by omitting to take that measure, some favourable turn would take place, and render the convulsion that might ensue from the measure itself unnecessary.

2255. You have spoken of the extremely small quantity of gold which existed in the Bank of England in 1825; can you state what was the comparative quantity of gold in the possession of the Bank at the time of the stoppage of the Bank in 1797?—No, it is on record, and there can be no difficulty in ascertaining it; but I should think it was somewhat about the same amount as in November; it was reduced very low, but not so low as it was in December 1825.

2256. Referring to what you have stated, of the utility of 1*l.* notes in protecting the credit of the Government and the Bank in December 1825, do you think it was a wise measure to pass the Small Note Bill in the Spring of 1826?—I should be very glad to be excused giving any opinion upon that, for my opinion is very little worth having.

2257. If it appeared to the Bank that their supply of bullion was more than sufficient, what means might they adopt to relieve themselves from a part of it?—It is very difficult, but by calling in their notes and issuing coin instead.

2258. Is that the only mode in which they could do it?—I know no other.

2259. Would not putting out notes by the purchase of exchequer bills have the same effect?—No, because the bullion would still remain in the Bank.

2260. Would not that have the effect of turning the Exchanges in a great measure against the country?—It might, but I think it would be rather a circuitous way of doing it.

2261. In the month of December 1825 the Bank made very great advances to the Public, and you are of opinion that by those advances they saved the public credit of the country and the private credit of the whole commercial community; at that period you have stated that your balances of bullion and coin were very low; are you not generally of opinion that in all cases of panic, though your coin may

may be very low, it may be judicious in the Bank to advance Bank notes, to prevent the increase and mischief of the kind described?—I have no doubt of it.

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2262. If, for example, in the year 1825, instead of three or four bankers, half a score had failed, by which the public embarrassment, discredit and distress would have been exceedingly increased, are you not of opinion that it might not then have been in your power to have alleviated the mischief?—I think we were within an ace of the whole effort failing to save the credit of the country.

2263. You think therefore that it is not on every possible occasion strictly true, as a general maxim, that it is wrong in the Bank to advance Bank notes even when the bullion may be exceedingly low?—That has always been my opinion; but I know that it is one that has been extremely criticised and objected to; but I am glad that I am out of the way of the exercise of so painful and anxious a responsibility.

2264. As every general rule has an exception, do you not think that such an exception to the rule referred to existed in the month of December 1825?—I am sure it did.

2265. When the Bank increased its issues in 1825, with a low state of bullion, was not bullion at the same time coming into the country?—Yes, the tide turned in the latter end of December, but the first gold that we got was considerably above the Mint price; that was owing to the efforts we made over the whole Continent.

2266. Was not that drain of gold, at that period, for the purpose of supporting the credit of the Banks in the country, and not for the purpose of exportation?—Decidedly, to support the credit of the country; but as the Exchanges, till the latter end of December, continued in a depressed state, we could not tell whether the attempt would be successful or not; not that the fall in the Exchange was at any time excessive, and it would be more correct perhaps to say that the state of commerce during the period was such as to preclude the influx of gold; but the tide turned, and favoured our operations; moreover, when the alarm subsided, the gold which had been sent into the country, soon flowed back into the coffers of the Bank.

2267. You were aware, when you did increase your issues, that the danger was not from the exportation of the bullion, but from the call for that bullion for the support of the Banks in the country?—Certainly.

2268. Did you sell public securities, or did you issue notes, in order to obtain this large supply of bullion in November and December 1825?—We sold public securities; we resorted to such means as the Bank possessed.

2269. Is it not true, that after the Bank of England had on a particular day determined to issue their 1*l*. notes instead of gold, within a week of that date, or thereabouts, the Panic vanished like a dream?—Yes, whether that was the cause or not, the fact is perfectly right; the 1*l*. notes were received with acclamation, almost.

2270. Had you any doubt it was the cause?—I have none upon the face of the earth.

2271. Would not, in your opinion, the proper conduct for the Bank to pursue have been totally different between the two cases, of a drain for the purpose of exportation, and a drain for the purpose of supporting the Country Banks?—Yes; at the same time I must honestly confess that the country was in such a state that it was a choice of evils, and it was very difficult to say which was the wise course to steer.

2272. Although in older times the Bank did not act upon any solemn resolution of looking to the state of the Exchanges, still, did not that circumstance enter into their general consideration of the motives by which they should be guided?—No doubt.

2273. Does it not stand upon record that, at the period of the suspension in 1797, one of the representations made to Mr. Pitt at the time was, the danger arising from the Austrian Loan?—Yes.

2274. Does not that point out, that the Bank, although not tied down by any positive resolution, did look at the state of the foreign Exchanges, in the general conduct of their affairs?—There is no doubt of it; whether they were always as much alive to it as some persons think they ought to have been, I am not prepared to say; but, on the other hand, to say that they were unmindful of it, is really a libel upon them.

2275. Was it not the fact, that in the year 1797, at the time of the suspension

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of cash payments at the Bank, the foreign Exchanges were, and had been for some time, in our favour?—Yes, they were.

2276. You stated that the foreign Exchanges became in our favour at the end of December 1825; do you think that that turn of Exchanges, at that critical period, was occasioned by the great and sudden fall of prices which accompanied the Panic in London?—I have never considered it in that point of view.

2277. Do you recollect the circumstance, of cargoes of foreign goods which had been at that period recently imported, being sent back to the ports they came from, in consequence of the distress in London at that period?—No, I never heard of it; there might be solitary cases of that kind, but I should think to no great extent.

2278. Would not the great additional pressure upon the money market of London which the Panic occasioned, have a necessary tendency to draw money to London from commercial towns abroad, in consequence of the low price of British and Foreign securities and commodities?—I think it would operate; the merchants endeavour, by every possible means, to draw their money, if they have it, from abroad; they would endeavour to pass their bills upon the Exchange, and that of itself would assist in correcting the Exchange.

2279. Then, if that had not taken place, and had not corrected the Exchanges, but the Exchanges had continued unfavourable for one or two months longer, would the Bank have been in a secure situation with 1,300,000 pounds of bullion at the end of November 1825?—No, certainly; if the Exchanges had continued unfavourable, and we could not have got bullion in, it does not require much wisdom to see that we should have continued in a most deplorable state.

2280. Does it not follow from that, that the circumstance of the Panic did probably interfere to save the stoppage of the Bank or of the Treasury?—Amongst other efforts that the Bank made, they encouraged the taking of paper from the different merchants, where they could do it with safety.

2281. Did not they cause bills to be bought on the Exchange?—Yes, that is what I mean.

2282. If there had been another Bank of issue besides the Bank of England, in 1825, do you think that circumstance would have been beneficial, or otherwise, to the support of commercial credit?—I am afraid it would have been a divided interest, and that no good would have resulted from it; in London, decidedly not.

2283. Are you quite certain that you are correct, when you state that the Exchange was not favourable to the country before December; does it not appear by the quotations, that they turned in our favour in October?—I think not; it is always possible that there may be a quotation apparently in favour of the country, when in fact it is not so; you cannot always rely upon the Exchanges quoted for the business done.

2284. What was the date of the Bank determining to increase its issues of notes, apparently in defiance of the ordinary rules which govern its issues?—It was not till the latter end of the year 1825; I cannot charge my memory as to the date; I should think that it was in November that we began, but I speak doubtfully.

2285. You have stated that the Bank, during the Panic, and shortly after the Panic, lent money upon Exchequer bills, upon funded property, and upon personal security; did your answer apply merely to applicants in London, or to other parts of the country?—To other parts of the country, through London Houses.

2286. Did the Bank lend money, upon the deposit of goods together with personal security, to manufacturers in Scotland?—Yes.

2287. To any considerable amount?—Not to a very enormous amount, but to a very considerable amount; we had deputations from Edinburgh, and we had a deputation from Glasgow; the Lord Provost of each city came up, and were with the Directors, urging assistance which they could not obtain in their own country.

2288. Then you had applications from the manufacturers of Scotland for assistance, which assistance they could not have obtained except through the medium of the Bank of England?—It was so represented to us, and I believe it was the fact.

2289. Had you applications from other considerable out-ports of England?—From several of the principal towns of England, but most of the applications were through the gentlemen in London.

2290. Were those applications for the aid of the manufacturers and merchants that resided in those out-ports?—They were.

2291. Is it not in the nature of what is called a panic, or in other words a great distress

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distress for money, in London, or in any other commercial place, to draw capital into it from other parts of the world, without reference to the immediate operations of the Bank?—It is certainly obvious that individuals who must partake of the effect of that panic, will look about them and endeavour to raise the ways and means where they can; to apply it to myself, if I saw that there was likely to be a very great scarcity of money, and I had a large sum in Amsterdam or Paris, if I could, I should draw that home.

2292. Does not that not only induce the English merchant to draw his money home, but does it not also induce the foreign merchant to send his money into the place where money is much wanted?—That admits of a question again, because if the panic is so serious and continues, it is possible the foreign merchant might say, My money is better where it is, than to send it there.

2293. Does not that transfer backwards and forwards of capital, and of money from one country to another, take place by the merchants of the country, without the intermediate interference of any alteration in the trade and merchandise taking place?—Yes.

2294. Then it is not true to say that an adverse state of foreign Exchanges advances the price of merchandize, and that merchandize goes out for the purpose of bringing in money, but there is an intermediate traffic and dealing in money itself, and in capital, which circulates backwards and forwards from one place to another, without any immediate necessary reference to any corresponding traffic in goods?—No doubt of it.

2295. Is it not in the nature of a panic to lower prices, and therefore to offer advantageous means of investment to those who have capital, and is it not from that circumstance that there are advantageous means of investment offered, that capital comes to that country where the panic exists?—If the panic does not extend to any very serious state of things, I should think that would be the case, but when we are speaking of a panic, such as the one alluded to, I think if a foreigner were to be aware of the situation in which the country was placed, and consequently every individual in it, he would pause a little before he sent his money here.

2296. If a person having money in the country saw that the price of Consols fell greatly below the average price, would he not think that an advantageous period of investment, and be likely to send his capital to London for the purpose of making an investment?—No doubt, if his confidence was still buoyant.

2297. You say that in 1825 there was a general spirit of speculation, which the Bank of England was very unwilling to encourage?—Yes; I know that was my feeling to a very great extent, and I have no reason to doubt that it was the opinion of the majority of the Directors.

2298. Do you attribute that spirit of speculation at all to over issue of paper on the part of Country Bankers?—No, I do not.

2299. In the answer made by the Court of Directors to Lord Liverpool and the Chancellor of the Exchequer, on the 20th of January 1826, there is this passage, "that the Country circulation is in many parts extremely defective, cannot be controverted;" what were the defects in the Country Banking to which the Bank meant to refer in that passage?—I apprehend the defects were merely that all the Country Bankers were not equally respectable; no one holds in higher estimation that respectable class of the community than I do, but it was in vain to disguise that at that period there were exceptions. I had forgotten that there was such a passage in the letter; but I say again for myself, that I have ever held Country Bankers in the highest possible estimation in the main, both in the management of their own affairs and the facilities and advantages they rendered to the community.

2300. You are aware that the communications that took place between the First Lord of the Treasury and the Chancellor of the Exchequer and the Governor and Deputy Governor of the Bank of England were published at that time; and there was a long letter from the Chancellor of the Exchequer to the Governor and Deputy Governor of the Bank, which enters into what was then thought the defects of Country Banking, and in which it was stated that there were between 800 and 900 Country Banks, and that it was no exaggeration to suppose that a great proportion had not been conducted with a due attention to the precautions which are necessary for the safety of all banking establishments, even where their property is most ample; that letter suggests the policy of restricting the circulation of notes by

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Country Bankers to notes above the sum of 5*l.* The answer of the Bank is to this effect: "that the country circulation is in many parts extremely defective cannot be controverted, and the Bank would very reluctantly oppose itself to any measure tending to ameliorate it, but would be glad to promote that object, either by fresh exertions on their part, should such be found practicable, or by any reasonable sacrifice;" it appears, therefore, that in the course of the correspondence that took place, there was an admission that the country circulation was then extremely defective; and this was the objection stated on the part of the Bank to the introduction of the law which prevented the circulation of notes below 5*l.*; do not you think that the Bank of England at that time concurred with the First Lord of the Treasury and the Chancellor of the Exchequer in thinking that considerable public inconvenience had arisen, and that the general excitement to over speculation had been caused by the issue of 1*l.* notes by the Country Bankers?—Speaking individually, I certainly did not agree with that letter; but whether I have a right to say so may admit of a question. I have already explained that in those instances where the Country Bankers issued more than they were warranted in doing, or where they were established upon a slender foundation, of course it was to those cases that the answer of the Directors of the Bank, I presume, alluded; but that does not apply to the great mass of Country Bankers.

2301. You said the great object of the Bank in the latter end of 1825 was to supply gold for the country circulation, that is to say, there was a great demand from the Country Banks upon the Bank of England to supply gold for those who presented their notes; do not you think that an indiscreet issue of 1*l.* and 2*l.* notes has a material tendency to banish gold from the country, by the substitution of a cheap medium of circulation for one that is expensive?—There is no doubt that if there is a large issue of 1*l.* notes, and the people are satisfied with those notes, less gold will be necessary.

2302. Practically, does not the issue of 1*l.* and 2*l.* notes banish the gold; is not that the case in Scotland?—It has done so in Scotland, and in America too.

2303. Then, when a time of panic comes, supposing there is no gold distributed through the country, supposing that the small paper circulation has practically banished gold from the circulation, is not the pressure upon the Bank of England greatly increased in consequence of that banishment of gold?—It may be if there is only a certain portion of gold to be had to distribute through the whole; the Bank of England being the centre, of course they all look to the Bank of England in the hour of panic, but I do not see how that can be remedied; the Country Bankers have no means, but through London, of obtaining gold; they cannot go about the country and pick up gold, they must go to the great Mart; and as all operations in the precious metals centre in London, they must come to London, and they must have their agents, or they must apply to the Bank to operate for them.

2304. You are aware that the 1*l.* and 2*l.* notes are generally in the hands of the lower classes of society, which are those classes to whom money is of the greatest value, and who are most likely to be worked upon by undue apprehensions; now, supposing the issue of 1*l.* and 2*l.* notes has banished the gold, but that they are still payable in gold on demand, when the time of panic arrives is not the pressure upon the Country Banks likely to be much greater and more universal than if there were no 1*l.* and 2*l.* notes, but the business of the country was conducted by gold?—No doubt; it is one of the evils of a paper circulation.

2305. Is not the pressure upon the Bank of England proportionably increased in a time of panic, in consequence of the necessary demand of Country Bankers to supply that gold which has been banished by the 1*l.* and 2*l.* note circulation?—Certainly; if a panic takes place, it must be so in the nature of things; but that is the situation in which we are placed by the extraordinary efforts that this artificial country, if I may so say, has made. The enormous debt we have, and the immense amount that must be raised for the payment of the interest of that debt, it is almost impossible, I conceive, that in a time of panic we should be able to face that state of things without paper.

2306. Do you think there would be any security against repeated panics, if the whole paper circulation of this country rested upon no other foundation of metallic currency than that which might be retained in the coffers of the Bank of England; supposing small notes were issued, and they were payable in gold, but that practically by that issue the gold was banished from circulation, and was almost entirely confined to the coffers either of the Bank of England or of the Country Bankers, do you

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you think that that great superstruction would rest upon any sure foundation?—It is in vain to disguise it, that it would be subject to very great peril at particular times; but the question is, how to counteract that; I am quite aware of the difficulties, I am quite aware of the evils, and I have always contended that it is a choice of evils, and that I do not see, in certain times, how it is possible to do without paper circulation.

2307. Do not you think the check upon over issue is likely to be much more immediate where there is a great mass of gold circulated throughout the country, than where the people are practically not conversant with gold, but all the gold is in the coffers of the Bank?—It is contrary to my principle for the Bank to hoard a very great quantity of gold, and to keep it there; it is useless, except in a time of panic; it is their bounden duty to keep a certain proportion, which will be wanted to meet difficulties. But with respect to the question of gold, whether it is in the Bank of England, or whether it is in private hands, I do not think makes very much difference, because there is only a certain quantity to be had. I am one of those that think the quantity to be obtained is very much overrated; I think it will be scarcely possible to provide against every contingency that may occur, and to say that you are perfectly safe, because you have such a quantity of gold; if the gold is in the hands of the Country Banker to any great extent, there will be so much less in the coffers of the Bank of England. There the question is, whether it is not quite as safe; by “safe” I do not mean security to the individual, but whether it is not quite as safe and as useful kept in the coffers of the Bank, as it would be in those of the Country Bankers, the quantity being divided about the country.

2308. With a view to security, and the prevention of panic arising from political causes, is it not better that the gold should be in the hands of the people conducting the retail business of the country, than that it should be deposited in any coffers?—I think not, if you have a thorough confidence in notes.

2309. Do you think you can insure that confidence in one and two pound notes?—In all but times of panic.

2310. May not there be a panic from political causes as well as commercial causes?—No doubt.

2311. Are you aware that two millions of gold were drawn out of the Bank of England in eight days, within the period of the last three weeks?—Yes.

2312. Do you think that panic arose from a commercial discredit, or from political excitement?—I hardly know how to account for that; it was one of those temporary things that do not last long, and there was not sufficient foundation for it; we must be always liable to those accidental circumstances.

2313. Are not you always more liable to it when the whole population of a country district has one and two pound notes in their possession, than when they have sovereigns, and can have nothing else for conducting the retail business of the country?—If you can suppose that we have a sufficiency of sovereigns for every man to have his fair share, I would certainly say that I would rather it was circulated in that way; but we are not to forget that there is another frightful part of the story, and that is the hoarding; and that if there is a panic, in all probability the individual will hoard his money as long as he can.

2314. Is not he as likely to hoard it by presenting the one and two-pound notes, and demanding gold in exchange, as he is when he has the gold within his reach?—There is no doubt it exposes the Bank to a run.

2315. Does not this disposition to hoard expose the Bank to an additional run, because the 1 *l.* and 2 *l.* notes are presented as well as the 5 *l.* and 10 *l.* notes?—It grows out of the state of things; it is a very difficult subject to discuss.

2316. Were you in the Bank when there was a great demand from the Bank of Ireland for the supply of gold?—Not on the last occasion.

2317. Did not that demand chiefly arise from Mr. O’Connell’s Letter, advising the people to present their small notes in exchange for gold?—I understood so.

2318. Do you recollect the sum that was necessarily remitted in order to supply the Bank of Ireland and the Provincial Bank, and the other banking establishments of Ireland with gold?—I was not a party to that, because I was not in the Bank, but I have heard it; I do not recollect the amount.

2319. Do you consider that that panic arose from any commercial cause whatever?—Certainly not.

2320. Was not that a perfectly unnecessary apprehension, as to the solvency of those Banks?—The run in Ireland arose from the agitation, and the evil impressions made upon the minds of the people.

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2321. Are you of opinion that the security of the small note circulation in Ireland mainly rests upon the amount of gold there is in England?—I suppose the Bankers in Ireland depend a good deal upon the supply there may be in London; but I should think that both the National Bank and other Banks in Ireland have provided themselves with gold much more abundantly than they used to do; I believe at one period, with respect to both the National Bank of Ireland and the Bankers in Ireland, their amount in gold was very inconsiderable, compared with what it has been lately.

2322. Whatever is retained out of circulation, is a dead loss to the country, is it not?—No doubt.

2323. Is it not as great a loss to the country if it be retained in the coffers of the Bank, in order to guard against a run, as it is if it be retained in the hands of the people conducting the internal circulation of the country, wear and tear excepted?—Yes, it is.

2324. You are aware that a run upon the Savings Banks took place in May 1832, and that those deposits are susceptible of alarm and panic, in a manner very similar to that in which the 1 *l.* notes were assailed when they were in existence; should you, then, be of opinion that to abolish the Savings Banks would give a security to our paper system against panic of that nature, similar to the security that is given by the abolition of the 1 *l.* notes?—I am not prepared to answer that in the affirmative, more particularly when I consider the object for which the Savings Banks were established, to induce men rather to place their money elsewhere than to keep it in their own pockets or to spend it.

2325. Would it in your opinion give an additional security against panic, if the money in the Savings Banks was returned to the people, and they held it in their coffers in gold?—I cannot satisfy myself upon that.

2326. Does the fact, of the circulation of the country consisting in gold instead of 1 *l.* notes, give any facility to the Country Banks to procure gold, more than they would have if the circulation were in 1 *l.* notes?—In quiet times it does, because of course gold would occasionally be paid into the Banks, but in hours of difficulty and alarm, men, in all probability, who held the sovereigns, would keep them rather than pay them into a Country Bank.

2327. If a Banker wishes to procure a supply of gold, would he not, whether the circulation of the country was gold or 1 *l.* notes, apply to London for a supply of gold?—If he has the means, unquestionably.

2328. Would it be possible for him to collect a large supply in the country, from the gold circulating among the people?—I should think, impossible.

2329. You were asked, whether you thought our paper system could be secured from the effects of panic during the existence of 1 *l.* notes in the hands of the people of England and Wales; do you think that the system, as it now stands, is secure against the effects of panic?—No; and I will go further, and say that I think it would be very difficult to make it so.

2330. You were referred to a Letter in 1826, written to the Bank by Lord Liverpool and Mr. Robinson, which Letter suggested the policy of abolishing 1 *l.* notes and establishing Branch Banks, and of establishing Joint Stock Banks; that Letter stated, that the cause of the commercial crisis of 1825 was mainly occasioned by speculations fostered and encouraged by the Country Bankers; do you think that that was a true explanation of the cause of the commercial crisis in 1825?—In my opinion, very humbly I say, decidedly not.

2331. It appears that Lord Liverpool stated, in a speech made on the 17th February 1826, that the Country Bankers had increased their circulation prior to the Panic, at a period when the Bank of England was diminishing their circulation; that statement of Lord Liverpool appears to have been founded upon the returns of the issue of stamps; if that calculation of Lord Liverpool's should be found to be formed upon erroneous data altogether, do you think then that the policy of the measures which were suggested to the Bank in the letter of Lord Liverpool and Mr. Robinson, were founded on fallacious statements?—If there was an error certainly so far, *pro tanto*, it was upon fallacious statements; I am not prepared to say how the fact was.

2332. What was your opinion at that time, as a Director of the Bank, upon the question of establishing Joint Stock Companies and Branch Banks, as then proposed?—As an individual, I never was very favourable to either the one or the other.

2333. Do you conceive that the establishment of Branch Banks, by which a very considerable

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considerable degree of responsibility attached to distant agents, was safe for the Bank itself?—I always thought it laid a great additional responsibility upon the Bank Directors, and I thought we had quite enough before; as to the utility to the Country, or the benefit that the Country may derive from it, that remains to be proved; I unequivocally acknowledge that I was not favourable to the establishment of Branch Banks.

2334. Or of the Joint Stock Companies?—Nor of the Joint Stock Companies.

2335. Was your opinion derived from the apprehension you entertained of the injuries the Bank might sustain, in consequence of a number of distant agents being employed?—That entered into the consideration, certainly.

2336. Did you consider it safe that a considerable number of gentlemen should be sent into the large manufacturing towns to discount bills, who were not acquainted with the persons and characters of the merchants and manufacturers there?—I certainly did think that it would require a great deal of time and experience, and that risks might be run in the trial, in order to prove satisfactorily the prudence of the measure.

2337. Had any considerable loss been sustained from the Branch Banks previous to your leaving the direction?—No considerable loss.

2338. Was the Bank consulted with respect to the measure of Joint Stock Companies?—We were not much consulted; we were communicated with upon the subject, and opposed it as far as we could with propriety.

2339. What were the grounds of your opposition, individually?—In the first place, we rather considered it an innovation upon the functions of the Bank.

2340. Was the apprehension you entertained, as affecting the interests of the Bank?—There was a distinction made between Joint Stock Companies in the country, at a certain distance, and Joint Stock Companies within that distance; and after a very considerable discussion, there was a line drawn within which the Joint Stock Companies should not approach the Bank; and so it was settled.

2341. With the limitation as afterwards settled, did you conceive the Bank was likely to sustain any injury from the measure of Joint Stock Companies?—It might perhaps be more in apprehension than in reality, but I was always jealous of the measure.

2342. As affecting the interests of the Bank, or as affecting the interests of the Public?—As affecting the interests of the Bank; and I always had doubts with respect to the prudence of the measure, as affecting the Public. Notwithstanding that passage in the Answer of the Directors of the Bank to the Letter of Lord Liverpool and Mr. Robinson, in which we acknowledge that there had been some mismanagement on the part of certain Country Bankers, I was always of opinion that the Country Bankers, in the main, had transacted the business with such advantage to the Public, and such reputation to themselves, that I preferred, with any new regulations that might be thought proper, that the business should be conducted by the Country Bankers than either by Joint Stock Companies or by branches of the Bank of England.

2343. What are the apprehensions that you entertained, and should entertain, in case the limitation of 65 miles from London was removed, and the Joint Stock Banks were allowed to extend their establishments within those limits?—It is a very great experiment, and I am not prepared at this moment to state what my apprehensions are; they may perhaps be more imaginary than real, but I have them.

2344. What would be the effect of it, as affecting the interests of the Bank?—I think it would occasion clashing and an interference; if the Public are well served by one establishment, I do not see the great advantage of increasing the number; to have Joint Stock Companies in addition to the Bank of England and to the number of Bankers in London and in the country; I do not see the occasion for them myself, and again I say that it appears to me to be an experiment.

2345. Is your objection to the increase of the number of partners in the London Banks, or to their becoming Banks of issue?—To their becoming Banks of issue; and I think we are very well as we are; I think we have plenty of bankers.

2346. Then your objection is to both?—Yes.

2347. Did the Bank of England object, in 1826, to the establishment of Branch Banks?—No; the Bank of England, on the contrary, approved of the measure; but I have taken the liberty to give my opinion upon it, because I was asked it.

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2348. Then, although it is your opinion individually, it was not the opinion of the Court of Directors as a body?—No.

2349. Was it yielded by the Bank at the desire of Government, or did you understand that it originated with the Bank?—It originated with the Bank; it was suggested in former times by Lord Liverpool, and was objected to; but afterwards the Bank reflected upon the subject, and they were of opinion that, under the circumstances which had recently happened, there might be advantages in it, and that it would be advantageous to the Bank itself.

2350. Do you suppose that the motive of the Bank in suggesting it, was for the purpose of satisfying the Public, or that they thought it was a good system of banking for the country?—Both; it was considered that it would afford facilities to the Bank in conducting their business; that it would give them a great insight into the country part of the business, and that there might be other advantages in it, and therefore it was adopted.

2351. Was not the state of the case this, that Government in 1826 proposed the abandonment, by the Bank, of their exclusive privilege as to the number of partners, and that there should be Joint Stock Companies formed in different parts of the country with the consent of the Bank, and the answer the Bank made to that was, We object to the establishment of the Joint Stock Companies, but we are willing to establish Branch Banks, and the rejoinder of the Government was, We think the establishment of Branch Banks a good thing, *per se*, but not adequate to meet the exigencies of the present time?—I remember that perfectly; I was present at the interview upon the occasion.

2352. Do you remember, towards the conclusion of the year 1825, very large importations of produce into this country?—I think there were very considerable.

2353. In the article of wool, for example; did not those vast importations arise from the duty on wool being taken off?—I cannot state.

2354. Was not silk another article that was introduced in immense quantities at that period?—Yes.

2355. Was not the duty taken off the importation of silk to a very great amount?—I remember perfectly that Mr. Huskisson brought in his new Customs Bill, I think in the month of March; it was some months before it came into operation, but in consequence of that, I cannot omit to observe that there were very great speculations, and those speculations were not confined to wool or to silk, but were very general.

2356. Do not you therefore think that the great fall in the Exchanges was in some degree produced by those vast importations?—I have no doubt but the Exchanges were influenced thereby.

2357. Was there not an improvement in the price of the greater part of commodities up to the middle of 1825?—Yes.

2358. Will not a large increase of importations be the consequence, generally, of an improvement of price?—Yes, it is a temptation; but the question is, whether it answered; the prices fell as much and a great deal more than they had risen.

2359. Do you connect that improvement in price which took place up to the middle of 1825, in any way with the increased quantity of Bank issues?—No, indeed I do not; I believe it was merely owing to the great encouragement that was given by the florid pictures we had of the state of the country; I do not say that the state of the Bank issues had no effect, but very small indeed.

2360. You are aware that the Bank consented to the establishment of Joint Stock Companies under certain restrictions, namely, that no Joint Stock Company should be established nearer than 65 miles from London, that no Joint Stock Company should be able to make its notes payable in London, and that they should not draw bills at sight under 50*l.*; do you consider the two last of those restrictions of any importance to the privileges and advantages of the Bank of England?—I can only answer that by saying that it was well considered in the Bank at the time, and it was thought advisable that those conditions should be made, and it was not objected to.

2361. Do you in your own opinion think that it was of any great importance to the Bank that a Joint Stock Company in the country should not be allowed to make its notes payable in London?—With the permission of the Committee, I would beg leave to decline answering that question, because it involves that which was fully deliberated at the time.

2362. Can

2362. Can you state whether, as a matter of opinion, you agreed with the Bank Directors at that time upon this subject?—Yes, as one of the body, of course I did.

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2363. It appears by Mr. Sedgwick's Tables of the issue of Country Bank paper, that in 1823, the amount in circulation was 8,700,000*l.*; in 1824, 10,604,000*l.*; and in 1825, 14,147,000*l.*; are you of opinion that the issues of the Bank of England, in the years 1824 and 1825, had no effect in contributing to those great issues of the Country Banks?—I do not know any thing of those Tables; but I think, if it is assumed that the currency was starved by the Bank withdrawing a part of their circulation, it is very natural to suppose that Country Banks would supply the vacuum.

2364. How could there be any vacuum of that sort to supply in 1824 and 1825, when the Bank of England increased its issues in 1824, and continued them at a high scale till November 1825?—I think not till November 1825; I think it began to reduce in February; then I have already said the Bank sold to the amount of, I should think, four millions and a half of their Government securities.

2365. Do you hold to the doctrine, that by diminishing the issues, or increasing the issues of the Bank of England, without any other circumstance, the Exchanges will feel the influence of that increase or diminution?—It depends upon the extent to which they are increased or diminished; if the Bank of England were to diminish their issues to a very great extent, it would have that sort of effect upon the commercial world, that I think it might operate upon the Exchanges.

2366. Within what space of time do you apprehend that operation would be felt?—I am not prepared to say; if it was to a very large amount, it would be felt, I should think, soon.

2367. Supposing that the issues of the Bank were to be increased to any great extent, do you believe that the foreign Exchanges would immediately feel the influence?—That involves a question which, if I may be excused, I would rather not enter into.

2368. Would not the effect upon the Exchanges depend very much upon the effect which such an increased issue would have upon the general prices of commodities in this country?—Yes; and upon the effect it would have upon the ways and means of merchants, and of those who operate.

2369. In the management of the affairs of the Bank of England, throughout the long period of more than 30 years, for which you were a director, was not the principle of management, attention to the interests of the Proprietors?—One main principle.

2370. In cases which must sometimes occur, where the interests of the Proprietors and the interests of the Public are at variance, the Directors being responsible to the Proprietors, what has been the prominent consideration in the management?—In very many cases we have sacrificed the interest of our Proprietors in order to serve the Public, which the Bank has always felt as an incumbent duty; it is not impossible that the attention of the Directors may have been more alive to the latter since the Parliamentary inquiries.

2371. Do not you consider it is for the interest of the Proprietors of Bank stock, that the fair interests of the country should be considered, in the direction of their affairs?—Inevitably they must be.

2372. Do not you consider that, not only in looking at it with a liberal view, but considering even the pecuniary interests of the Proprietors of Bank stock, it would not be for their interest to disregard the general public interest?—I do not apprehend the Bank could do it if it would.

2373. Is it not the fact, that to the Proprietors the Directors are responsible, but to the Public and the Government they are not responsible?—Indeed they are; the Bank Directors will henceforth never make a blot that will not be hit.

2374. If the Bank Restriction Act were renewed, might it not be very advantageous to the Bank itself, and yet very prejudicial to the public interests?—Certainly, if it can be supposed that the Bank are unmindful of their duties to the Public, they might; and if the Legislature were not watchful, it might be turned to the advantage of the Proprietors of the Bank; but I think it is hardly a supposable case; if the Bank Directors, instead of being right-minded men, were disposed to lean to their Proprietors at the expense of the Public, to any great extent, I do not believe it is possible to do it.

2375. As a general proposition, do not you consider that whatever would be

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most advantageous to the public interests, would at the same time conduce to the general interests of the Bank of England?—On the great scale, unquestionably.

2376. Did not the Bank of England suggest the renewal of the restriction in 1825?—I have already stated that when we came to the alarming situation in which we were placed, we made several applications to the Ministers.

2377. In making those applications, do you suppose that the Bank applied for the restriction with a view to derive profit from that restriction, or was it from their notion of what was for the general benefit of the circulation of the kingdom?—Their object was, to lay before His Majesty's Ministers the state in which the Bank was placed; whether any blame attached to them, is quite a separate consideration, but it was to lay the state of affairs before the Ministers, and to suggest what we considered would avert a most tremendous evil, because, as to affixing a paper to the Bank of England, while the Bank of England was swarming with all sorts of people coming with the greatest importunity for their money, for the Directors to stand forward and to say, "We have no more left, but we expect it," it was impossible.

2378. Do not you feel confident that it never crossed the minds of the Directors of the Bank of England to reap profit to their proprietors from a renewed restriction of cash payments?—It is utterly impossible.

2379. Did not the Bank profit considerably by the increased issue of notes between 1822 and 1825, to the amount of four millions?—I presume they did, but it was not with a view to undue profit that that was done; the Bank then possessed large balances, and it would be unreasonable to expect that they should have remained useless.

2380. Did it not afterwards appear that the Bank greatly suffered in consequence of the increased issue?—I am not aware how they did.

2381. Was not the Panic that subsequently ensued in a great measure the result of that increased issue?—I think not.

2382. In the proceedings of the Court of Directors during the Panic, were not they regulated more by a consideration of the manner in which they could stop the general alarm and the threatened ruin, than by considering how they could make a profit to the Bank Proprietors?—Certainly.

2383. Did not the Bank share amongst the Proprietors, in addition to the established dividend of 7 per cent, between February 1787 and March 1830, nearly seventeen millions?—I cannot charge my memory with what it was, but I only know this, that as we made profits, and as there was a large rest, if the importunity of our Proprietors had been witnessed from court day to court day, it could not be wondered at that we should make extra dividends as other Corporations were in the habit of doing, but that was not done without communicating with His Majesty's Ministers.

2384. When the Bank have found themselves with a large treasure, did they not purposely issue notes for the purpose of producing a fall in Exchanges, in order to get rid of the treasure?—No; that was never a motive with me when I had to do with the Bank.

2385. Would not issuing notes under those circumstances, of having what may be considered an over stock of treasure, be the direct means of relieving the Bank from its treasure, and of proportionably enabling it to make profit?—I can only repeat that I was never actuated by that motive.

2386. Are you aware that in the year 1790 a transaction of that kind took place, when the Bank of England had 10,000,000 *l.* of treasure, and 10,000,000 *l.* of circulating notes?—No; I was not in the Bank in the year 1790.

2387. Keeping in your mind the difficulties that occurred in 1826, and that the Panic then mainly arose, as you have stated, from the necessity the Country Bankers were under of having specie to meet their engagements in the country, do not you think that if by law the Bank of England notes were made a legal tender in the country, so long as they should continue to be paid in bullion in London, that would very much tend to relieve the country from panics of that kind?—I had rather not answer that question.

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THE RIGHT HON. LORD VISCOUNT ALTHORP, IN THE CHAIR.

George Warde Norman, Esq. called in; and Examined.

2388. YOU are a Director of the Bank of England?—I am.

2389. How long have you been in the direction?—I was chosen in April 1821.

2390. Are you aware of the principles upon which the Bank of England regulate their issues?—I am aware of the principles upon which they regulate their issues at present.

2391. Will you state what those principles are?—I conceive that the principle for the regulation of the Bank issues under ordinary circumstances is, at the time when the currency is full, to invest, of the whole amount received for the circulation and deposits, in the proportion of about one-third in bullion and coin, and about two-thirds in securities bearing interest.

2392. Do the Bank of England, in regulating the amount of their paper in circulation, have reference to the state of foreign Exchanges?—The Bank, for several years, have always looked very narrowly at the state of the foreign Exchanges. Since the principle which I have just mentioned has been adopted, the plan has been, under ordinary circumstances, to let the Public act upon the Bank, rather than the Bank upon the Public. Having fixed the amount of securities and treasure at about two-thirds and one-third, the drain is allowed to go on unchecked, unless some special occasion for interference should arise. The diminution of treasure is then accompanied by an equivalent diminution of circulation and deposits.

2393. In case of the foreign Exchanges being against this country, would the Bank take any step to counteract that issue?—I should say, under ordinary circumstances, not; there might possibly be extraordinary circumstances, in which a forcible and more rapid contraction of liabilities would be requisite.

2394. While the bullion is being drawn from the Bank, do the Bank take any measures to restrict the accommodation they give to the mercantile world?—No; they usually have contrived in that case to dispose of a portion of their exchequer bills or other securities, and thus increased the fund disposable for discounts; the object is to keep the securities upon the whole at the same amount, or somewhat near the same amount, it is impossible to obtain perfect accuracy.

2395. Do the Bank, then, look at the amount of securities bearing interest in their hands, more than they do to the positive amount of bullion?—Yes, the principle is, at the commencement of a drain, that is to say, when in all probability the circulation and the treasure are about at the highest, that we should have the proportion of two-thirds and one-third; then if the securities are kept about at the same level, the reduction of the treasure must show itself in the circulation and the deposits.

2396. What general effect do you apprehend is produced upon the money market by a reduction in the amount of exchequer bills held by the Bank and held by the Public?—It must, I apprehend, disengage a certain portion of capital previously laid out in exchequer bills, which must seek some other employment.

2397. Do not exchequer bills tend, according to their amount, to support the general paper circulation of the country, not only in the capital but in the country?—I think I hardly understand the question.

2398. You will observe that the amount of exchequer bills held by the Bank in 1818 is 26,000,000*l.* and in 1832 it was 6,650,000*l.* thereby reducing that species of security twenty millions; the object of the question is, to ascertain whether in your opinion that diminution has in any manner influenced the circulation of the notes of the Bank of England and also Country Banks?—I do not see why necessarily it should have influenced them; the notes returned to the Bank in payment of the exchequer bills, have been re-issued on other securities.

2399. Although the exchequer bills have diminished, have not the other negotiable securities, in which the Bank has invested a portion of its capital, been increased at the same time?—Certainly, they have been increased.

2400. Is there any particular distinction between exchequer bills and other

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negotiable securities held by the Bank, as they affect the paper circulation of the country?—I can see none, if they are to the same amount.

2401. Has not a portion of the capital been invested in the Dead Weight?—Yes.

2402. Is there any distinction in principle between exchequer bills and Dead Weight?—I can see none bearing on the matter in hand.

2403. Do you consider the Dead Weight a negotiable security, if it were offered in the money market?—I should consider so.

2404. Is it equally negotiable practically?—It never has been offered for sale.

2405. Looking at the nature of the two securities, is it your opinion that it would be under any circumstances equally negotiable?—I should hardly think it would be quite as negotiable, exchequer bills having been so long in the money market; but I should think it would be very negotiable; I have heard that many offers have been made to purchase it.

2406. Is there not another material difference with reference to the two sorts of security, that the one is payable, and is to be repaid by the Government, and the other is not?—The one is the sale of a debt, the whole amount of which is to be paid, the other is merely the sale of an annuity. The advance on the Dead Weight is virtually repaid by the excess of the half-yearly receipts beyond the interest.

2407. Are you of opinion that the repayment of a large amount of exchequer bills by Government would have no material influence upon the circulation?—Undoubtedly it would have a very great influence for the moment; it would, *pro tanto*, reduce the circulation; the void would probably be filled up in other ways.

2408. Is not the effect of a repayment of exchequer bills by the Government to the Bank, that of narrowing, *instantly*, the circulation?—Certainly.

2409. On the other hand, do not you think that the state of the currency may have been materially influenced by the exchequer bills, inasmuch as a considerable proportion of those held by the Bank must be held upon advances originally made to the Government; do not you consider that in the making of those advances, some influence is necessarily created upon the public market by the increase of the currency?—Undoubtedly.

2410. Would the funding of a great amount of exchequer bills produce any effect upon the circulation?—No, I do not think it would.

2411. If exchequer bills were paid off by Government, but as fast as the Government paid them off the Bank reinvested the money received in other Government securities, would the circulation be in any way affected by the change?—Not if the reinvestment was to an equal amount.

2412. Then in any calculation of the effect produced upon the circulation by a reduction of the amount of exchequer bills, you must take into calculation on the other hand, the amount of the other Government securities in which the Bank have made their investments?—Yes, not merely Government, but also private securities.

2413. Are the Committee to understand that you are of opinion that the circulation of the country requiring a certain amount of Bank of England notes, there would be a demand for those notes, and they would issue whether upon exchequer bills or upon any other values that the Bank might issue them upon, and that it is not necessary that the exchequer bills should exist, to enable the Bank of England to put its notes into circulation?—I should say certainly that the existence of exchequer bills was not necessary in this point of view.

2414. Is there any other security upon which the Bank of England makes issues, or upon which the Country Bankers make issues, so convertible and so desirable as that of exchequer bills?—There certainly is no other security so convenient as exchequer bills; and I apprehend it has been owing to this circumstance that they bear a premium, though the interest is so low.

2415. Admitting that the Bank find it expedient to diminish or to increase their issues, is there any security upon which that operation can be conducted with so much facility as exchequer bills?—I know of none.

2416. Then would you not think it advisable that the Bank of England should always possess an adequate amount of exchequer bills, and that it should resort to that means of correcting the Exchanges or regulating the currency, in preference to any other mode?—Yes, I think it is convenient that the Bank should always hold a certain quantity of exchequer bills, and that there is no other security so convenient upon the whole, so easily sold when it is desirable to sell.

2417. And

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2417. And that they should resort to that, rather than any other means, to extend or diminish their issues?—Generally so; I cannot however say that in every case it might be the most desirable means of contracting or expanding the circulation, but I know no other security so readily marketable.

2418. If the Bank regulated the amount of its issues by the purchase and sale of the exchequer bills, as referred to in the last Question, would it be allowing the Public to act upon the treasure of the Bank in the way you described?—Yes, perfectly, because it is merely a question upon the use of the term “acting on the currency.” I take the case, for instance, of an increase or diminution of discounts, or of the deficiency bills, the object being to keep the whole securities nearly upon a level; to do that, implies the absolute necessity of occasionally changing some securities.

2419. Then you did not mean to say that you thought the whole of the negotiable securities held by the Bank should be exchequer bills?—They could not be so under present circumstances.

2420. Does not the Bank at present take any good paper that is offered for discount?—Yes.

2421. Therefore supposing the Bank did not invest their money in exchequer bills, still they could not materially increase the amount of their discount?—Supposing in any way the Bank should get rid of a portion of its exchequer bills, thus lowering the whole amount of securities it held, and diminishing in the first instance its circulation, there would probably be an increased demand for discounts.

2422. Although there might be some increased demand for discounts, do you think that, seeing the small amount of discounts now held by the Bank, that the Bank could in any way hold any great portion of its disposable funds in the shape of discounts?—I conceive that the demand for discounts would depend upon the relation between the rate of interest asked by the Bank, and the rate of interest out-of-doors.

2423. Upon the supposition that the unfunded debt of Government was funded, and that no exchequer bills existed, would the issue of the Bank necessarily be invested to any great extent in the increased discount of commercial paper?—I do not see any necessity, under such a state of things, that the issues of the Bank should materially diminish; if one channel is blocked up, others must be opened; discounts would be one of them.

2424. Would the state of the circulation of London afford the Bank any number of millions of additional good commercial discounts which would be necessary to take the place of the unfunded debt that it now holds?—I am hardly in a condition to answer that question; I cannot say what the capabilities of the London market may be in that respect; but, looking to the amounts discounted in former times, I should think a very large quantity of bills might be furnished.

2425. Unless this operation, taking exchequer bills, very much advanced the rate of interest of money, could it have the tendency of bringing to the Bank any great increase in the amount of commercial paper?—Not unless it did so, or the Bank lowered the rate of discount; but I apprehend in the first instance it would raise the rate of interest considerably, probably to the Bank rate. The vacuum might in some degree be filled up by the issue of notes upon bullion.

2426. Would it not rather force the Bank to substitute the holding the funded debt, instead of the unfunded debt, for its issues?—Of course the Bank would be obliged to consider in what other mode it could employ the notes returned to it.

2427. Is there any other mode by which the Bank can issue its notes, supposing the unfunded debt not to exist, excepting by increasing its commercial discounts, or purchasing the unfunded debt?—Or holding a large quantity of bullion; I know of no other good mode; there might be other means found to a small extent.

2428. If the Bank were obliged to hold a large portion of funded debt, would it not expose it to the risk of great occasional losses from the fluctuation in the price of stocks, which might at periods affect the credit of the Bank by the notoriety of its holding its funds in that species of security?—I think it would be undesirable that the Bank should have any very large amount of stock.

2429. Are you of opinion, supposing a large quantity of commercial paper could be obtained for discount in London by the Bank of England, it would be advisable for the Bank of England to regulate its issues upon commercial paper solely, or would it be preferable to regulate them by exchequer bills?—I cer-

tainly

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tainly think that if the issues were to be regulated in one way or the other, I should much prefer exchequer bills. Under present circumstances, I consider it quite impossible without at times doing immense mercantile mischief, to attempt to regulate them by discounts. The Usury Laws alone are quite decisive upon that point.

2430. Will you explain the effect of Usury Laws in the way you think they operate?—If the rate of interest should rise much above five per cent, the Bank must either over issue or be obliged to resort to measures to contract its discounts, which might lead to very serious effects, such as rejecting private paper capriciously for no other reason than because enough had been discounted already.

2431. Would not that inconvenience be removed by repealing the Usury Laws?—Yes, in a great degree.

2432. Do you think the repeal of the Usury Laws would be a measure that would contribute to assist much in rendering the Banking system more secure and more useful?—Decidedly. Under present circumstances, of course one can hardly contemplate a market rate of interest above five per cent; but I should think that if, as during the War, the market rate of interest was to exceed five per cent, the Bank would be placed in a situation of extreme inconvenience and peril.

2433. Supposing it desirable that the Bank should reduce the amount of Bank notes outstanding, is there any other mode at present of reducing that amount, than either by a sale of exchequer bills, or a sale of bullion, or a reduction of discounts?—The Bank possesses some other securities besides bullion, exchequer bills, and commercial paper; we hold the Dead Weight annuities, some mortgages, and certain other trifling securities.

2434. Might not there be great inconvenience, under certain circumstances, in the sale of public securities by the Bank; might not that sale by the Bank have the effect of unduly depressing the price of those securities?—Certainly, if the sales be not effected with discretion.

2435. Would not there be considerable difficulty, in a sale of bullion to any great extent?—The Bank never do force the sale of gold bullion; those who want bullion, come and buy it at the Bank; the Bank has sold silver.

2436. Then the chief means will be a reduction of discounts?—A reduction of discounts or a sale of Government securities.

2437. What do you think is the best way of diminishing the issues upon discounts, do not you think it is better to raise the rate of discount than to do it by a capricious rejection of a portion of the paper that is offered for discount?—Most decidedly so; the inconvenience then falls on those best able to bear it. I consider the attempt to reduce discounts in general, by rejecting the bills of any particular persons, as a plan likely to fail, and to be productive of great public inconvenience, and that it never ought to be adopted except in cases of the very last necessity. Under certain circumstances, we might diminish without much inconvenience the limit beyond which bills offered for discount shall not run, from three months to two months, for instance, as it was formerly.

2438. You are aware that the market rate of interest, during the War, when you had the sum of 23,000,000 *l.* in discounts, was above five per cent?—I am quite aware of that.

2439. Do not you ascribe the difference between the large amount of discounts you had during the War, and the small amount that you have at present, to the fact, that during the War you were discounting under the market rate of interest, and that you are now discounting above the market rate of interest?—I consider the difference in the demand to arise mainly from that circumstance.

2440. You have been asked about the mode in which the Bank would proceed in reducing its circulation, if it thought its amount of notes disproportioned to its treasure; would not what you describe as the action of the Public upon the Bank perform that operation without the interference of the Bank; would not the notes come in for payment in specie, without any sale of bullion upon the part of the Bank?—I have stated already, generally, that I think it undesirable that the Bank should interfere to regulate the circulation at all, except under particular circumstances. In my answers to the questions as to the mode in which it would be desirable for the Bank to act upon the circulation, should it be necessary, I consider the expediency of such action to be assumed in the question.

2441. Is not the Bank always perfectly safe by adhering to the principle you have

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have stated, of not investing more than a certain portion of securities in issuing any quantity of paper, provided it has the means of paying bullion for that paper when the Public should require it?—Yes, I should think the Bank itself, except in extraordinary circumstances, would be secure; but still it appears to me undesirable, with reference to the public interest, that the Bank should attempt to force out any inordinate quantity of paper.

2442. Can the Bank force it out; is it not in the nature of the transaction that the moment it exists in excess, it shall come in for specie; and therefore, provided the Bank does not rely upon that amount of paper staying out, which it is not in the nature of things should stay out, is it ever necessary for the Bank to perform any operation for the purpose of regulating its amount of notes?—I think that question rather raises a consideration as to whether you can depreciate the currency by the issue of paper which you have the means to convert; now I am inclined to think that to a certain degree and for a certain period you may depreciate the whole existing currency of gold and of paper together, and that although the paper so issued should be completely convertible. On that account, therefore, although the Bank might perhaps with security to itself occasionally very considerably increase the quantity of its paper, yet without good reasons to suppose that the country really required it, I should be sorry to see any large and hasty augmentation; of course, as circumstances change, the demand for Bank notes will vary; any depreciation of the whole currency arising from an over-issue of convertible paper could only be temporary, and would be corrected by a return of notes for gold, and an exportation of that gold.

2443. Are you not of opinion, that the Bank, though paying in specie and ready to pay in specie, may still force upon the Public more paper than is desirable for the circulation?—Yes, for a short period.

2444. Supposing each Branch Bank of the Bank of England, and each Country Banker, encouraged by the example of the Bank of England, acted upon the same principle, and discounted every good bill that was presented to them, would there not be a danger of an over-issue of paper which would not be counteracted by any instantaneous action of the Public?—Yes. I think it is altogether a fallacious principle in the regulation of the currency to take the rate of interest as a test of demand; you have sometimes a very low rate of interest with a very low currency, or *vice versa*; in fact, they have no steady and necessary connexion with each other.

2445. Did you ever consider what would be the effect of raising the rate of discount of the Bank above five per cent, leaving the general operation of the Usury Laws as it is at present?—I consider usury laws altogether pernicious to the country; but even assuming their general expediency, I can see no reason why they should not be abolished, so far as the Bank is concerned.

2446. Would you think it desirable to extend the same power to Country Bankers?—Decidedly; in fact, I would do away with the Usury Laws altogether.

2447. You have stated that you think the issue of Bank notes has no immediate connexion with the rate of interest?—They do not depend upon each other, except to a certain degree, and chiefly at the moment of issue.

2448. It was stated by Mr. Harman, that in his opinion the quantity of Bank notes had no effect upon the rate of interest or the price of stocks; if he meant permanent effect, do you concur in that opinion?—I cannot perceive any permanent effect which the quantity of Bank of England notes can have upon the rate of interest.

2449. Would you consider the price of stocks to be a fair criterion of the rate of interest?—It has much connexion with it.

2450. If there was a sudden increase in the amount of the currency, would you not admit that that sudden increase would have a momentary effect, both upon the rate of interest and upon the price of stocks?—That was the point I meant to reserve in my answer; if the Bank notes are issued usually upon securities bearing interest of some sort or another, of course for the moment their abundance must operate in that way.

2451. You mean to say that the contraction or expansion of Bank notes would have a temporary effect upon the price of stocks, but not a permanent effect?—That is my opinion.

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2452. You spoke of the practice of the Bank changing securities under particular circumstances, what is the object of that change of securities?—To keep the general amount of securities about on a level.

2453. Why should they change securities for that purpose?—Because occasionally it happens that an increased amount of a certain security is, as it were, forced upon the Bank; for instance, the Bank may have a greater demand for commercial discounts at one time than another; in that case, if the general amount of securities is to be kept on a level, some other security must be disposed of, in order to enable the Bank to issue an additional amount in discounts.

2454. Then the nature of that operation is, that the Bank sells exchequer bills, one species of security, in order to enable it to advance on mercantile bills, another species of security?—Yes, in that instance.

2455. In that instance, does the Bank, by selling exchequer bills, lessen the amount of Bank notes in circulation?—The object of the Bank would be, that the sale of exchequer bills should go on *pari passu* with the increase of discounts.

2456. Is there any advantage in that change of security?—The object is to keep the whole amount of securities about upon a level.

2457. Would not that object be obtained by the Bank refusing to discount mercantile bills, as effectually as by selling exchequer bills?—Yes; but I think it is very undesirable, under present circumstances, that the Bank should reject good bills when they are offered.

2458. Does not the sale of exchequer bills by the Bank diminish the facilities to commercial discounts, to an extent equal to that to which the Bank would afford facilities to commercial discounts by discounting bills with money obtained by that sale of exchequer bills?—I should think it would have a tendency that way, but not to the full extent of the sale.

2459. You state that the present principle of the Bank is, that having a certain amount of liabilities consisting of notes and of deposits, you thought it a proper principle to maintain one-third of that in bullion in ordinary times?—At a period when the currency is full.

2460. What test should you apply to know when the currency is full?—I should describe the currency as being full when the Exchanges were at par, or rather on the point of becoming unfavourable.

2461. If 21,000,000 of notes in circulation, and 6,000,000 deposits, making altogether 27,000,000 of liabilities, be a full currency, you would consider nine millions a proper sum of bullion for the Bank to retain?—Yes, I should think it quite enough.

2462. Would you then think it a proper course for the Bank to pursue, that as the notes came in for payment for the purpose of drawing gold out by an unfavourable exchange, the amount of bullion should be reduced along with the amount of deposits and of circulation?—Yes.

2463. According to late experience of the common rate at which an unfavourable exchange acts upon the country, does it not go to the extent of drawing from five to seven or eight millions of bullion from the country?—I can hardly answer that question; I think we lost about six millions in the last drain.

2464. The effect of that operation then would be to leave the Bank with 3,000,000 of bullion, and with 21,000,000 of liabilities?—It would, under those circumstances; but the liabilities were more than 27, and the treasure than nine millions, before the last drain.

2465. Would you think that a safe position for our paper currency to rest upon?—I certainly should think, under those circumstances, that the Bank treasure was at a minimum, and rather lower than was desirable; but I think you could hardly imagine a drain for exportation equal to 6,000,000. In the case supposed, should it occur, I should consider it would justify a departure from our ordinary principle, and render a forcible contraction expedient; hardly ever more causes united to produce an extensive drain than on the last occasion.

2466. When was the period of the last drain?—From August 1830 to March 1832.

2467. Do you recollect to what extent the drain, previous to that, acted upon the treasure of the Bank?—It took place in 1828, and was to a comparatively small extent; I should think not above one and a half millions for export;

export; there was a further demand for the withdrawal of 1*l.* and 2*l.* notes of the Country Banks, to the extent of about three millions, at nearly the same period.

2468. Can you state the amount of the drain in 1825?—That will appear in the Accounts.

2469. A reduction of Bank notes having taken place, and a reduction of the bullion of the Bank, with reference to the safety of the Bank under such circumstances would you take into consideration the probability of a commercial, or financial, or political discredit occurring at that time?—I conceive it is quite impossible to guard against the effects of a political discredit; unless treasure is retained destructive of all profit, it would be met, not by an issue of coin, but by an issue of notes.

2470. Are you aware that a period of reduction of notes, accompanied with a reduction of the bullion in the Bank, is commonly a period of commercial difficulty and embarrassment?—It would be a period of falling prices, and therefore probably would be to a certain degree a period of commercial difficulty.

2471. Would not commercial failures be the probable consequence of that?—That might or might not be the case.

2472. Would it not be likely that a period of falling prices would be a period in which commercial discredit might be anticipated?—Commercial distress to a certain degree might be expected.

2473. And that commercial distress, if it should take place to a great extent, might cause a drain upon the reduced treasure of the Bank?—That would depend upon circumstances; if the Country Banks stood their ground, and remained in good credit, I think there could be no considerable drain upon the Bank for gold; even should they be discredited, now that 1*l.* and 2*l.* notes are no longer in circulation, I do not see why there should be a large demand for coin.

2474. Do not you consider that a fall in prices, whether 1*l.* notes existed or not, would be likely to be accompanied with commercial failures?—Yes; but I do not see why, under present circumstances, a demand for coin on the Bank should be the consequence of commercial failures, or commercial distrust; I think there might be a demand for notes.

2475. Do you consider that a period of a fall of prices produced by a scarcity of money, is a period when merchants and manufacturers are compelled to reduce their operations?—I suppose there would be a tendency to that.

2476. Has that a tendency to throw workmen out of employment?—I should suppose so.

2477. Would that be calculated to produce discontent and dissatisfaction amongst the labouring classes?—I suppose there would be a tendency that way.

2478. Might not from that arise what is called political distrust?—We have never had any political discredit of the Bank, so far as I know, in consequence of such a state of things.

2479. Do you not think that with a reduced treasure in the Bank, accompanied with embarrassment in commerce and workmen thrown out of employment, a prudential regard to the safety of the Bank would cause that to be considered a period of danger to the Bank?—Certainly, I should say it would be an anxious period for the Bank; but I think we have generally seen, in periods of commercial distress, the credit of the Bank rather rise higher above the common credit of other bodies of individuals, than at any other time.

2480. Why do you think so?—I may refer particularly to the example of 1825; at that time the Bank had the means of increasing its issues prodigiously; at the moment the crisis took place, there was nothing like a want of credit in the public mind with respect to the Bank.

2481. Do you suppose that the 1*l.* notes of the Bank at that time stopped the Panic?—To a certain degree.

2482. Are you aware that the drain by the Public for gold at Norwich, was stopped by the Bank at Norwich refusing to give any thing but Bank of England notes in exchange for gold?—I have heard something of the kind.

2483. Did you hear that when the people of Norwich found that they could receive no other exchange for notes of the Norwich Bank, than notes of the Bank of England, they then ceased to demand payment of the paper of the

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Norwich Bank?—I have heard something to that effect, but am not aware that the fact was so.

2484. Would not a diminution in the amount of the circulation of the Bank of England have a tendency to reduce the market price of gold among other commodities?—The price of gold, with respect to Bank notes, can vary very little so long as notes are payable in gold, and gold in notes at the same or almost the same price.

2485. Would not that give facility to the Bank of England to acquire bullion?—Yes, it would encourage exportation, and discourage importation of other commodities.

2486. Would not such a reduction in the amount of the circulating medium give a facility to the Bank in replenishing the treasure in its coffers?—Undoubtedly; to that circumstance my answers referred; I doubted whether, under the circumstances supposed, a reduction to so great an extent as six millions was likely to occur.

2487. What do you think would be the effect of the publication of the amount of bullion in the Bank, when reduced three or four millions by an unfavourable exchange; might not that lead to political distrust?—It might do so; but I see no necessary connexion between a reduction of treasure at the Bank and political discredit.

2488. Have not low prices a tendency to restore treasure to the Bank, and high prices to draw treasure from the Bank?—Yes.

2489. Are not periods of low prices periods of embarrassment and difficulty in the commercial world?—Falling prices, not low prices.

2490. Permanently low prices, without a corresponding reduction in the engagements of the commercial world, would not that be a state of embarrassment in the commercial world?—Falling prices I consider to be an indication of a period of distress.

2491. Can there be such a state of things as permanently low prices without a corresponding reduction of the engagements of men engaged in commerce?—I should say not; when low prices become permanent, the engagements of merchants would have run off.

2492. In how long a period will they run off?—I have no means of answering the question.

2493. In how long a period would the engagements of the farmer run off?—That would generally depend upon the length of their leases.

2494. In how long a period would the royalties of the iron master run off?—I do not know.

2495. Are you aware that they extend to twenty or thirty or fifty years?—I have no means of answering that question.

2496. You stated that, in your opinion, paper money, though payable in gold on demand, might become subject to depreciation; will you explain what you meant by the term depreciation?—I meant that the whole of the currency, partly in paper and partly metallic, might be depreciated in comparison with commodities and the currencies of other countries, by the paper being issued beyond a proper amount.

2497. By what criterion would you measure the rate of that depreciation?—I should measure it by the rise in the price of commodities, and ultimately in the currencies of other nations.

2498. Would that give the rate of depreciation which you speak of?—Yes; but it would be an extremely difficult point under any given circumstances to infer what that amount of depreciation had been, from looking at the price of commodities, because it must be an effect upon all commodities whatever; and there are so many other more influential causes affecting the price of commodities, that I can hardly perceive how we could come to any practical result, so as to say exactly under such circumstances what proportion of the rise in the price of commodities was owing to any depreciation in the general currency.

2499. When you said there would be no depreciation that did not affect all commodities whatever, do you mean that to be considered as your answer?—Yes.

2500. Are you aware that there were some commodities that did not advance at all during the whole period of the Restriction Act?—If it were so, which I believe to have been the case, the cause may be found in a reduction of the real

real cost of such commodities greater than the rise as measured in the depreciated currency.

2501. Then you did not refer to the money price?—I have no idea that I referred to any thing else.

2502. When you said there could be no depreciation of money unless all commodities whatever advanced in money price, did you mean to affirm that during the Bank Restriction Act there was no depreciation of money?—Certainly not.

2503. Are you aware that there were many commodities which fell in price during the period of the Restriction Act?—Assuming that to have been the case, I do not see its inconsistency with the opinion I have expressed; the inference that I should draw from that circumstance would be that there were special causes in operation affecting the price of those commodities, which outweighed the depreciation in the currency; those commodities, supposing the currency had not been depreciated, would have fallen in price still more; they would have borne just the same relation to other commodities that they did under circumstances as they were.

2504. Then you admit that there are exceptions to that answer?—No exception in principle whatever.

2505. What difference do you make between exceptions in principle and exceptions in practice?—I do not think I am clearly understood; when I gave my original answer, I mentioned that there were many other causes affecting the price of commodities besides the amount of the currency, and that that circumstance rendered it particularly difficult to estimate what effect a depreciation or appreciation in the currency had at any given time. Now if there were commodities which did not rise in money price during the War, notwithstanding the depreciation of the currency, I should say that those other causes acted upon such commodities so strongly as to counteract the apparent effect of the depreciation of the currency; the depreciation of the currency acted upon those commodities as it did upon all others; but there were certain countervailing causes in operation peculiar to the former; supposing, for instance, the depreciation in the currency was 20 per cent, there may have been some causes which diminished the cost of production more than 20 per cent.

2506. Would not those other causes operate upon the depreciation which would take place during the payment in cash, as well as they would upon the depreciation which took place during the period of the Bank Restriction Act?—Of course they take effect at all times.

2507. Would you not consider that the rate of depreciation, in any period, is to be taken, not from the price of any one particular commodity, but from the general average price of property and commodities as nearly as it could be obtained?—I do not think from the general average price it must affect all commodities; but it may happen that the prices of many commodities may be affected by other circumstances, besides any increase or diminution of the currency, and that is the peculiar difficulty in coming to an exact conclusion upon this point.

2508. Could a general advance in the prices of all property and commodities take place, without your considering that an evidence of a depreciation of money?—I should hardly think that a general rise of price could take place without a depreciation.

2509. How would you estimate the depreciation which took place during the Bank Restriction Act?—I should estimate it by the difference between the market and the Mint price of gold.

2510. Do you mean of gold and silver?—I should think of gold only, that being the standard here.

2511. Are you aware that during that period gold and silver frequently varied in price to the extent of 15 per cent?—I do not recollect the degree of variation.

2512. Is not one metal as good a criterion as another?—Not in England.

2513. You say that you would consider the advance of gold the measure of the rate of depreciation, are you aware that prior to the Restriction Act gold was sometimes bought in the market at the rate of 15 per cent above the Mint price?—No, I am not aware of that.

2514. Are you aware that the late Mr. Newland stated in evidence before the Committee of 1797, that the Bank had before that time frequently bought gold at a higher price than four guineas an ounce, that they bought gold as high as 4*l.* 6*s.* and at one time as high as 4*l.* 8*s.* an ounce?—No.

2515. Admitting that fact, would you think that money was depreciated at

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such periods?—I was not aware of the circumstance, and can hardly give any opinion upon it; but I think if it were so, that some particular disturbing causes must have been in operation; it may have been previously to the re-coinage of gold.

2516. Do you mean that probably that would arise from an appreciation of money rather than a depreciation?—Not knowing any thing of the facts of the case, having heard it now for the first time, I do not know how I can give any opinion upon it.

2517. It was stated by Mr. Horner, in 1815, that he did not consider that, the apparent depreciation, (meaning by the apparent depreciation the rate of value of gold) the true measure of excess in the issues of the Bank; and he says, that during the restriction it was possible for commercial or other circumstances to affect the value of gold; would you concur in that opinion?—There are circumstances which may lower or raise the price of gold in the market of the world; but I apprehend, that in these questions it is assumed that the value of gold generally shall be equal, and that we are merely considering the state of the currency in this country.

2518. Would you think that during the Restriction Act the price of gold was from time to time the measure of the depreciation of paper money?—Yes.

2519. Do you think that the market price of gold, at particular periods during the Bank Restriction Act, was the measure of the effect which the depreciation of the paper money produced upon contracts at those periods?—Yes, I should think so; I do not see how it should be otherwise; a certain quantity of paper professed to represent a certain quantity of gold at the rate of 3*l.* 17*s.* 10½*d.* per ounce; if it really represented less, the difference was the measure of the depreciation.

2520. The question referred to a previous answer of yours, which stated, that no depreciation could take place unless all commodities whatever rose in price, and yet gold during the Restriction Act advanced from 3*l.* 17*s.* 10½*d.* to 5*l.* 10*s.* an ounce, while British iron fell from 20*l.* to 15*l.* a ton; do you upon those facts, assuming them to be accurate, maintain that there was no depreciation of currency during the Restriction Act?—I still maintain that there was a great depreciation in the currency.

2521. Then was your previous answer correct, in which you stated that a depreciation could not take place unless all commodities whatever advanced in price?—Yes; I consider that the money price of iron would have fallen still more unless there had been a depreciation of the currency.

2522. Then it is presumed you do not mean to say that unless all commodities advanced in money price, there could be no depreciation of money?—I might perhaps find terms, with a little consideration, to express my opinion better; but what I mean is, that there can be no depreciation unless the prices of all commodities are higher than they would have been if there were no such depreciation; but it is very possible at the same time that the diminution in real cost, or the temporary effect of the over supply of any given commodity, may be 20 per cent, while the depreciation itself is 15 per cent.

2523. Putting all reference to the price of bullion out of the question, do you conceive that an operation of paper-money, which should increase the general average prices of property and commodities in this country to the extent of 25 per cent, or to the extent of 50 per cent on the average of all prices, would have as material an effect upon contracts as a depreciation of paper-money accompanied by an advance in the price of bullion?—Yes; but the first supposition, that is to say, such a depreciation in the case of a currency of convertible paper I consider to be out of the question; I should consider it quite impossible to depreciate a currency of which convertible paper formed a considerable part, beyond a low per centage, which it is almost impossible to estimate. The rise of price necessary to check the export of English and to bring in enough foreign goods to abstract gold sufficient to restore the equilibrium, would be the maximum.

2524. Admitting such an event to take place, would it have an effect upon contracts quite as important as though a rise in the price of bullion had accompanied that change?—Yes, I should suppose so.

2525. You have stated that a gold and paper currency can be depreciated; do you mean to say that a depreciation can take place during that period during which the Exchanges are operating to counteract the effect of a depreciation,
or

or that a depreciation can only be for a certain time till the Exchange has operated to correct that low medium of prices?—The depreciation will be corrected by the return of notes for gold, and exportation of the latter.

2526. Would not the effect of such a state of things be, that the paper would remain and that the gold would be exported?—In the present state of things, the effect would be, that the paper would return to the Bank for gold, and the gold would be exported.

2527. In the year 1816, immediately after the Peace, bullion fell to a price nearly corresponding with the Mint price, and silver fell below the Mint price; the Bank not selling bullion at that time, but purchasing to a large amount, would you say that there was no depreciation of our paper money at that time?—As my opinion is that the difference between the market and the Mint price of gold is the measure of depreciation, I think if gold fell to the Mint price, there could be no depreciation.

2528. It was stated by Mr. Vansittart on February 9th, 1821, that at the Peace the old standard of the country was restored; do you concur in that opinion?—Yes, if the Mint and market prices of gold corresponded.

2529. Do you remember whether 1816 was a period of considerable distress and embarrassment?—I was very young then, and I cannot state with any accuracy from my recollection.

2530. It was stated by Mr. Harman, in his evidence before the Committee in 1819, that the year 1816 being a period of great commercial and agricultural distress, Bank notes were issued in increased quantities by means of advances to Government, for the purpose of relieving that distress; Mr. Ward has stated that such issues and advances were made for the joint object of relieving the distress of the country, and assisting Government by the advance; do you recollect those circumstances?—I have no particular recollection of them.

2531. The Bank notes appear to have been increased, between February 1816 and February 1818, 3,700,000*l.*; the increase between November 1815 and November 1817 is 5,100,000*l.*; would you expect an advance of prices to follow that increase?—I was not a Director of the Bank at that time, and I have no recollection of the circumstances alluded to; but I should suppose there would be a tendency that way.

2532. Have you ever calculated to what extent any given increase of the notes of the Bank of England would operate to advance prices?—No, I do not see that we possess the elements of that calculation.

2533. Or any given diminution of the notes of the Bank, to what extent that would operate to reduce prices?—No, I do not think there are the elements of the calculation in existence.

2534. Do you think that an increase of one million upon fifteen, or one million upon twenty, would advance prices as much as five per cent?—Other things being equal, they would.

2535. Does the paper money depreciate by excess in the same manner that the metallic money depreciates by reduction from its weight?—I should conceive so.

2536. Would you conceive that every increase in the notes of the Bank to the amount of one million, the preceding amount being twenty millions, would advance prices five per cent?—All other things being equal, I should think so.

2537. Then an increase of three millions would be equal to an advance in prices of 15 per cent?—I should conceive so.

2538. Would you expect such an advance as that?—Yes, other things being equal.

2539. You have stated that an increase of the issue of the Bank of one million upon twenty would raise the prices five per cent, all other things being equal; do you mean by “all other things being equal” that the transactions in the country requiring the aid of currency remain exactly the same and are not increased?—Of course; also that every other species of circulation should be increased in an equal proportion.

2540. If the transactions in the country requiring the circulating medium were increased at all, does it not follow that the rising price would not be so extensive with the augmentation of the Bank's issue?—My answer assumed first of all that the work to be done by the currency should remain unaltered; next, that an increase of five per cent should take place in every other species of currency; and in that case I conceive that the increase of five per cent in the Bank circulation would be attended with those consequences. If an increase

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took place at the same time of five per cent in the work to be done by the currency, of course there will be no alteration in prices at all.

2541. If any proportion be to be established between currency and prices such as you think you can establish, should not the proportion be not merely as between the amount of the Bank of England notes and the prices, but taking the whole amount of gold in circulation in the world, with the addition of the paper which represents gold as compared with the prices?—The value of the English currency must rise and fall with that of gold in the markets of the world; but I think that the introduction of this consideration into the matter in hand would only serve to produce confusion.

2542. Would it not be, in your opinion, a most erroneous idea to suppose that under all circumstances an issue of Bank paper to the extent, suppose of five per cent, upon the sum already in circulation, should raise prices five per cent?—I should think so; I do not see how any certain conclusion of that sort could be drawn; if other descriptions of currency were diminished to a greater extent at the same time, which is not improbable, prices would fall.

2543. If, for instance, it appears that there was at the period of 1825 a great increase in the amount of paper circulating in the country, and there was contemporaneously with that a great rise in prices generally throughout the country; do you attribute the rise of prices upon that occasion solely to the increased issue of paper, or do you think that it was in proportion only to the increased issue of paper?—I certainly should not either think that it was wholly owing to the increased issue of paper, nor do I conceive that it was in exact proportion to the increased issue of paper; I consider that in 1825 a sort of moral epidemic prevailed, and that you might have the same extent of currency perhaps ten times over without an equal degree of commercial excitement and subsequent distress. I do not consider that at all times even a similar amount of currency will perform exactly a similar amount of work, because there may be in periods of great commercial excitement a considerable increased velocity of circulation.

2544. Do you consider, then, that a spirit of speculation engendered by particular circumstances at any particular time may cause a great rise of prices entirely independent of any increase in the issues of paper money?—I think there might be a spirit of speculation abroad in the first instance, unconnected with an increased currency, and when that speculation had raised prices, an increase of the circulation would probably follow, but I do not think it should necessarily, though it does sometimes, precede it.

2545. Therefore a spirit of speculation may be engendered, and there may be a rise of prices, and that rise of prices may be followed by an increase of issue as a necessary consequence, but the original rise of prices may happen entirely apart from any increase of the circulating medium, and owing solely to the speculation itself?—Decidedly so; suppose the case of new markets opened.

2546. Are you at all acquainted with the state of things in 1720, at the time of the Bubble?—It is stated in Mr. McCulloch's Dictionary of Commerce, that the

Bank Circulation in - 1718	was about	-	-	-	-	-	£. 1,829,000
Ditto - - - - 1721	-	-	-	-	-	-	2,054,000
Ditto - - - - 1730	-	-	-	-	-	-	4,224,000
The increase then from 1718 to 1721 was £.225,000 or about £.75,000 per ann.							
from 1721 to 1730 " 2,170,000 " 241,000 "							

Thus the Bubble year 1721 was preceded by a low, and succeeded by a high rate of increase, the latter unattended by any commercial excitement; there is, then, no necessary connexion between a morbid spirit of speculation, and a great augmentation in the Bank issues. We might perhaps, for all practical purposes, consider the circulation of the country in 1721 to have been metallic, nevertheless, at that time the excitement that prevailed seems to have much surpassed what we saw in 1825.

2547. Are you not aware that in 1825 the trade with South America was carried on to a great extent?—I believe so, but have no personal knowledge on the subject.

2548. Supposing a state of speculation be the first cause of a rise of prices, and that then those high prices encourage a large issue of paper, if the Banks are not particularly cautious, and if they meet that demand fully, will not the Banks then become in a great part the cause of any considerable evils that may follow from a further increase of price and a reaction?—Doubtless there is a reaction from

the Bank upon the Public; supposing in the first instance a speculative rise of price to take place, that will probably occasion increased issues, and those increased issues will keep up the prices, and perhaps carry on the spirit of speculation still further.

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2549. Will they not add to prices, and thereby add to the speculation?—They will give increased means, which aid that spirit of speculation.

2550. Supposing a spirit of speculation was the cause of the high prices in the beginning of 1824, may not the issues of the Bank of England that followed those high prices be considered in a great degree the cause of the convulsion that afterwards took place?—I am not aware that there was any increase in the issues of the Bank of England at that time.

2551. The question refers to the period between the end of 1823 and the beginning of 1825?—I do not think there was any increase, except upon gold. I have here a Paper which would give an idea of the circulation of the Bank from the beginning of 1822 to October 1824, and from which, certainly, it appears that there was no voluntary advance in the Bank circulation during that period. I will take the liberty of reading a little from it. In the Account I hold in my hand, the different sums are made up to the end of every quarter, because it is conceived that the end of every quarter, when the revenue has come in, before the issue for the dividends, will give the best comparative statement of the circulation; there are fewer disturbing causes in operation then than at any other time. It appears that in 1822, on the 3d of January, the circulation was about 17,700,000*l.*; on the 3d of April, 17,000,000*l.*; on the 1st of July, 16,700,000*l.*; and, on the 5th of October, 17,200,000*l.* In 1823, upon the 1st of January, 16,300,000*l.*; on the 1st of April, 17,000,000*l.*; on the 1st July, 17,000,000*l.*; and, on the 6th of October, 17,400,000*l.* In 1824, on the 1st of January, 17,300,000*l.*; on the 1st of April, 19,300,000*l.*; on the 1st of July, 18,900,000*l.*; and, on the 6th of October, 19,400,000*l.* Now from this it appears that no addition took place in the circulation till the quarter ending the 1st of April 1824, when it was 1,700,000*l.* above that of the 1st of January 1822; but I find it explained to more than that extent by the excess of bullion held by the Bank on the 1st of April 1824, so that in reality there was no addition except on bullion, as will appear from the following explanation. On the 3d of January 1822, the circulation was 17,700,000*l.*; and on the 1st of April 1824, it was 19,300,000*l.*; but between the 3d of January 1822 and the 1st of April 1824, there had been an increase of bullion to the amount of 2,100,000*l.* So that the whole difference between the Bank circulation at one time and another was more than met by that augmentation of treasure. I consider the advance of notes for bullion an increase, independent of the control of the Bank.

2552. You mean for gold?—For gold coin and bullion, and to a certain extent for English silver coin. Between the 1st of April 1824 and the 6th of October 1824 the circulation remained without increase, and during that period no direct evidence was afforded to the Bank of an unfavourable Exchange. It further appears that at the termination of the quarter ending 1st January 1825, the circulation of notes was 20,700,000*l.* being an increase of 1,300,000*l.* above that of the 6th October preceding; this increase, however, was justified by the amount of bullion then in possession of the Bank, the quantity having been, after the issue of the above amount, nearly equal to one-third of the total liabilities; but this further increase lasted only a few months, the circulation having been reduced in the quarter ending 1st July 1825 to 19,300,000*l.* Now it would seem from the foregoing statement, that the increased issues of the Bank from 1822 to 1825, either as to amounts, periods, or duration, could have had little or no relation to the causes of the excitement which commenced in 1823, and terminated with the Panic in the autumn of 1825. It is a mistake to suppose that the Bank by their own act effected any forcible contraction worth noticing in 1825. The diminution of their bullion between the 1st January and 6th October 1825 was 7,250,000*l.* and within the same period their circulation and deposits were by the action of the Public reduced to the extent 6,900,000*l.* The securities held by the Bank on the 1st January 1825 were 25,350,000*l.* and on the 6th October 25,700,000*l.*

2553. Are you aware that in the period between January 1825 and July 1825, when a reduction of the circulation was effected to the amount you have stated,

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the Government paid off 2,000,000*l.* of exchequer bills?—Yes, and the discounts rose.

2554. Have you the amount of the circulation in April, in July, and in October 1825?—On the 2d of April the circulation appears to have been 20,328,000*l.* on the 1st July 19,342,000*l.* and on the 6th of October it was 18,612,000*l.*

2555. It appears from your statement, that there was an increase in the issues of the Bank of England notes, between the 1st of January 1824 and the 1st of April 1824, of 2,000,000*l.*; and that the Bank of England notes were kept up, from that period to the 1st of July 1825, at about 19 and 20,000,000*l.*; had not the state of trade previous to January 1824 evinced so much of speculation as to render such an increase of Bank of England notes highly inexpedient?—The spirit of commercial speculation showed itself before the 1st of January 1824.

Veneris, 29^o die Junii, 1832.

THE RIGHT HON. LORD VISCOUNT ALTHORP, IN THE CHAIR.

George Warde Norman, Esq. called in; and further Examined.

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2556. FROM the statements you have given to the Committee, and your observations upon the facts which you have mentioned, it appears that you have bestowed considerable attention upon the conduct of the Bank during the period upon which the Committee are now examining?—Yes, I have paid some; I was not in the Bank during a considerable part of that time, owing to illness.

2557. Will you have the goodness to state whether, after bestowing mature consideration upon the conduct of the Bank at that period, there appears to you ground for imputing to the Bank, by the management of its issues, the effects which were then produced upon public credit; and whether, after bestowing such consideration upon the subject, you now see reason for believing that the Bank should have conducted itself in a different way, to the advantage of the Public?—The only increase that was made in the Bank issues, except upon gold, was at the commencement of 1825, and I do not therefore think that the conduct of the Bank could have had any influence upon the commercial excitement, which had prevailed for some time before, and which prevailed for some time afterwards; I think it would have been better if the Bank had not increased its issues at the commencement of 1825.

2558. When you advert to the increased issue of 1825 as the only important fact in producing the effects which occurred in that year, do you bear in mind the state of the circulation of the country in the three years previous to 1825, the alterations which had been produced, either by contraction or expansion of the circulation?—In giving that answer, I look to the state of the Bank circulation during the preceding years, and in those I perceive that there had been no increase at all up to January 1825, other than the augmentation upon gold, but rather a diminution; now I consider that an increase made upon gold, when it occurs, is unavoidable, that is to say, that the gold would have circulated as coin, if notes had not been issued upon it.

2559. Although it appears from your statement, that you are not aware of any material alteration in the amount of the Bank circulation during the period in question, does it appear to you that there was any alteration in the nature of that circulation, that is to say, in the character of the securities upon which it was issued?—There was a great alteration in that respect.

2560. Will you have the goodness to describe the nature of that alteration, between 1819 and 1825?—I am not able to explain exactly how the securities of the Bank stood from time to time, on account of the great number of items that it would be necessary to advert to; but of course that might be shown by a Return containing an analysis of the securities held by the Bank at the periods when the principal changes took place, between 1819 and 1826; if the Committee should think fit to require such a Return, it will be made, but its preparation will take probably a considerable time.

2561. Was

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2561. Was there a considerable diminution in the amount of exchequer bills held by the Bank, between the year 1819 and the year 1825?—There has been a Return already made to the Committee, of the total amount of all exchequer bills held by the Bank of England on the 1st of June in each year, from 1816 to 1832; it appears that in 1819, their amount was 21,669,900 *l.*; in 1820, 18,711,900 *l.*; in 1821, 14,461,900 *l.*; in 1822, 12,169,200 *l.*; in 1823, 12,127,800 *l.*; in 1824, 11,593,800 *l.*; in 1825, 12,913,000 *l.*; in 1826, 11,666,787 *l.*

2562. Will you state in what manner the considerable reduction which took place between the year 1819 and the year 1825, of exchequer bills held by the Bank, was effected; whether by a direct repayment from the Government, or by the sale of exchequer bills by the Bank in the market?—I have here an Account, showing what was the sum directly paid off by the Government, of what are called purchased bills, that is to say, bills bought by the Bank in the market; the amount upon the whole is 8,441,000 *l.*, the repayments having been made at various periods, the first on the 8th of November 1819, and the last on the 19th of October 1826. There was also paid off within that period, of what are called issued bills, that is to say, of bills issued directly by Government to the Bank, the Bank loan for 3,000,000 *l.* repaid between the 3d December 1819 and 12 July 1830, and 2,900,000 *l.* of exchequer bills, part of 6,000,000 *l.* Supply 1816, repaid between 2d April and 8th November 1819. The Bank sold at various periods, between 1819 and 1826, exchequer bills amounting to 1,784,000 *l.*

2563. Looking at the very large amount of the exchequer bills held by the Bank, repaid by the Government in the period now alluded to, and at the same time to the extent of the circulation of the Bank, which during a great part of that period was not diminished, and in the latter part of it was increased; upon what other description of securities was the circulation maintained, and afterwards increased?—I cannot say without looking to the particular periods; but there were advances for the purchase of the Dead Weight annuity, and also upon mortgage, and there might be some other advances made.

2564. When did those two advances occur?—I think it was in 1823 and 1824.

2565. Are you able to state the amount of the advances upon the two heads you have mentioned, which had been made previously to the close of the year 1825?—There was advanced on the Dead Weight, deducting the amount of annuity received on the 1st of June 1823, 885,719 *l.*; on the 1st of June 1824, 2,917,719 *l.*; on the 1st of June 1825, 4,861,196 *l.*; on the 1st of June 1826, 6,745,423 *l.*

2566. Was there not another head under which advances were made for the service of the State, namely, the means of repaying dissentient proprietors of stock paid off?—Yes, there was; I am unable to state exactly the periods when those advances were made, because the dissentients were paid off from day to day, so that an exact account would involve a great number of items; and since I had any sort of intimation that information upon this point would be required, there has not been time to procure the information; I find that between the 6th of October 1824 and the 5th of January 1825, 4,278,000 *l.* was advanced to pay off the dissentient 4 per cents.

2567. Can you state to the Committee what advances, of any description, were made by the Bank to the Government within the period in question, other than the advances on anticipation of the growing produce of the Consolidated Fund, or on Sugar or Malt duties; if you are aware of any other heads than those you have adverted to?—I am not aware of any other heads of advance than those that have been mentioned, with the exception of those to pay off the dissentients and the Dead Weight annuity, which have been referred to before.

2568. Were not those advances to which you have adverted, with the exception of what the Bank lent upon mortgage, that is, all the advances to Government, made under the direction of distinct Acts of Parliament for that purpose?—I believe so.

2569. Were any advances made to the Government during that period, except in anticipation of revenue, except under the express authority of Parliament?—I believe that no advance can be made, except under the authority of an Act of Parliament.

2570. Do you believe that the Bank did not make any advances to Government upon any private understanding or arrangement with the Government, or,

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as you have said before, except upon an express authority of Parliament?—I believe not.

2571. You have stated the amount of exchequer bills repaid by Government between 1819 and 1825 to be 13 millions; on the other hand, you have mentioned advances made under Acts of Parliament to the Government in the same time to the extent of nine millions, under the two heads of Dead Weight and to pay off dissentient proprietors of stock reduced; it would appear that in that period the repayments by the Government exceeded the advances made to the Government by a considerable sum; will you state to the Committee your opinion of the effect of those transactions upon the circulation of the country?—I should say, first of all, that I am unable at present to state exactly what was the balance of account, if I may so call it, upon the comparison between the repayment made by Government and the fresh advances; but I consider that it would have been quite impossible to reduce the circulation by the amount repaid, for it seems to me that when gold is given for notes and notes for gold, either at identically the same price, which is now the case, or at very nearly the same price, as was at that time the case, viz. 3*l.* 17*s.* 6*d.* or 3*l.* 17*s.* 10½*d.* the variations in the value of any given portions of currency cannot be very considerable, comparing the currency of this country with that of other countries. The range of variation in the value of the currency being limited in this way, I think that the amount of the currency cannot be reduced, except momentarily, below a given quantity. When that extreme point has been attained, the vacuum will be filled up either by an issue of notes from the Bank on bullion imported, or by an increase of discounts, or advances on other profitable securities, or by an augmented issue from Country Bankers; and this process will go on till the equilibrium has been restored.

2572. You have stated what you conceive would be the ultimate effect of changes created in the amount of the circulation, and in what way you conceive they would ultimately adjust themselves; will you state your opinion upon the effect produced immediately by those alterations which are not the natural consequence of transactions of commerce, but which proceed from the transactions between Government and the Bank?—I do not see how a positive answer can be given to that question. In most cases, perhaps, the repayment on one hand and the re-issue on the other would go on almost *pari passu*; but if there was at any given period a positive reduction, that reduction would, I think, be marked by low prices, and by the complaints of slackness and decay of trade, which we always hear when prices are low; and that in case the prices had been previously high, there probably might also be a greater or less degree of commercial distress.

2573. Do you think that was in any degree in consequence of the repayment of ten millions of Exchequer Bills within three years after the year 1819?—I am hardly able to answer that question; I do not know what the effect upon the whole currency was, but I conceive that there was a great reduction in the Country Bank issues up to the close of 1822.

2574. To what do you attribute that reduction of the Country Bank issues during that period?—Perhaps to great harvests and consequent low prices, and also to preparations for a recall of the 1*l.* and 2*l.* notes; but I have no particular knowledge on the subject.

2575. Have you at all directed your attention to the effect which any considerable reduction in the circulation of the Bank of England would be likely to produce upon the country circulation, or, on the contrary, what would be the effect of an expansion of the Bank circulation?—I do not think it produces any very constant effect; but I am inclined to think that in general a reduction of the circulation of the Bank of England is followed in the first instance by an increase of the country circulation, supposing there is not much commercial discredit at the time. I apprehend that to have been the case in the last year or year and a half, or at any rate there was not a corresponding reduction in the country circulation.

2576. You are aware that, by many persons, much of the extreme fluctuation that took place in the amount and value of the currency between the year 1819 and the year 1825, is attributed to the operations of Parliament and of the Bank of England; have you turned your attention to that subject as a Director of the Bank, and are you able to afford the Committee your opinion upon that?—I do not think I am able to afford the Committee any opinion that is worth

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worth listening to; I consider in general that the effect of changes in the currency is greatly exaggerated in the public mind; I think the public attribute much greater importance to them than they deserve; but of course they must produce a certain and a considerable effect.

2577. Are you able to furnish the Committee with an Account showing the whole amount in which the Bank was under advance on Government securities, except their own stock, on the 1st of June in each year, or any other convenient period, from 1818 to 1826 inclusive, distinguished under the several heads of Exchequer Bills, advances upon the Consolidated Fund, upon the Dead Weight, to pay off dissentients, or any other head upon which the Bank was under direct advance to the State?—An Account has been furnished by the Bank, which I have already adverted to, of the total amount of Exchequer Bills held from 1816 to 1832, which would afford a good deal of the information required.

2578. The Committee understand from what you have stated, that you are not prepared to offer any distinct opinion upon what may have been the effect of the advances by the Bank, and repayments to the Bank from the Government, during the period in question; but you have stated that no other advances were made by that establishment, except those that were authorized by Acts of Parliament?—I certainly believe not.

2579. As you are aware of the object for which this Committee is assembled, you have no doubt turned your attention to the question, of the importance which it may be of to the Bank of England, and to the Public in general, that the exclusive privileges now enjoyed by the Bank should be wholly or in part continued beyond the period at which they will expire; will you have the goodness to state wherein those exclusive privileges now consist?—I rather think that they consist, first, in the regulation that no firm with more than six partners can issue notes payable on demand in London or within 65 miles of it; and that no firm in the country, with more than six partners, can draw bills on London, or make notes payable there for a less sum than 50*l*.; I think those are the only privileges the Bank possess at present.

2580. Do you understand that Companies banking in the country may make their notes payable in London, under the law as it now stands?—I think they may, if they have not more than six partners.

2581. Does the Bank possess any exclusive privilege by Act of Parliament with respect to their notes being received by the Government in payment of revenue?—Upon consideration, I believe so.

2582. Is it your opinion that it is of importance for the interests of the Bank, with respect to those of its Proprietors and those of the Public in general, that all the exclusive privileges you have mentioned should be continued to it?—With regard to the first point, that of being the exclusive Bank of issue in London and within 65 miles of London, I certainly consider that a privilege of the most important nature, the abolition of which would be highly prejudicial to the country at large; certainly if the constitution of the Bank upon any thing like the present footing is important to the Public, I should look with very great alarm at the establishment of more than one Bank of circulation in the Metropolis. In my opinion, the introduction of competition in the issue of paper money, especially in the capital, where the value of the whole currency, compared with that of other countries, as finally adjusted by the importation or exportation of the precious metals, could not by possibility be any improvement on the present system, and would probably lead to great disasters. Under such an arrangement, the currency, compared with the present, would be either greater or less, or the same; if the last, nothing would be gained; if either of the former, the result would be pernicious. I believe the real effect would be in the case supposed, that the currency at one time would be unduly extended, and at another time unduly contracted; that we should have violent oscillations, with all the evils that may attend upon them, and that the difficulties of the Bank would by such an arrangement be very greatly increased, and its functions most materially impeded. As to the second point, the not allowing firms with more than six partners to draw on London or make notes payable there for a less sum than 50*l*. I should say that that privilege is comparatively of very little consequence to the Bank; in my own private opinion, it is hardly worth consideration. It must be inconvenient to other establishments, and so far may

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be considered advantageous to the Bank, but, on the whole, I think it of very little importance.

2583. Are you of opinion, then, the 65 miles which you have mentioned as being the district within which the Bank now has exclusive privilege, ought necessarily to be maintained as the limit to which that privilege ought to extend; or might not a much more restricted district be sufficient for the purposes which you have adverted to?—I think it probable that the relative amount of the Bank circulation would be greater or less in proportion to the extent of the district within which it alone could issue notes; and I am fully persuaded that the business of the Bank may be managed more or less easily, securely and advantageously, both for the interests of the Corporation itself and of the Public, in proportion as its circulation may form a larger or smaller part of the whole paper circulation, and that so far from being relatively too large at present, it is greatly to be wished that it should be extended. Of course, this being my opinion, I should deprecate any reduction in the extent of the district to which that exclusive privilege of the Bank extends. I am unable to say exactly what would be the effect of making any particular reduction, it would depend upon what large towns or what populous district might be shut out.

2584. You form that opinion only upon the general ground you have stated, the importance of maintaining the relative magnitude of the circulation of the Bank of England, and not upon any other ground?—I am not now aware of any other ground.

2585. Will you explain a little more particularly the general reason you have alleged for objecting to the establishment of other Banks in the Metropolis than the Bank of England, that is to say, that the circulation would be thereby unduly expanded and contracted?—Almost all bankers issue their notes upon securities bearing interest, and when the rate of interest rises there is always a tendency to a great increase of issues, and that tendency almost always becomes active, their issues do increase as the rate of interest rises. Now I see, myself, no very close connexion between the amount of circulation which the country requires, and the rate of interest; that mode of issue is a vicious principle of action with relation to the supply of paper currency to the country. I think if you had more than one Bank, there would be a very strong tendency on the part of those establishments, acting in competition, to force their notes into circulation; and if you at one time in that way had the currency unduly extended, it would probably be unduly contracted when the recoil took place, because I conceive the extent of the recoil will almost always be proportioned to the extent of the excess.

2586. Do you deem it of equal importance also that the exclusive privilege of the Bank to possess a limited responsibility by charter, should be maintained with respect to the country as well as to the Metropolis?—I can hardly answer that question, not having maturely considered it. On the whole, I am disposed to think that the “Sociétés en Commandite” and “Sociétés Anonymes” allowed by the French laws and those of most other countries, along with some inconveniences, produce on the whole an advantageous effect; but I do not perceive why they should be allowed in banking more than any other business.

2587. You have stated that you yourself are of opinion that the restrictions upon Country Bankers with respect to drawing for sums under 50*l.* and also to make their notes payable in London, are of comparatively slight importance to the Bank of England; if the same opinion were entertained by the Bank of England, so far as its own interests are concerned, with respect to the question of limited responsibility in the country districts, would not the whole interference of the Bank by any exclusive privilege be removed, by enabling Banks in the country to act with limited responsibility, and to communicate with London without the restrictions which exist at present?—I see no great advantage which the Bank derives from maintaining the regulation, that Banks shall be established only with unlimited responsibility in the country; I certainly have a very strong opinion that no notes should be issued, any where, without security being given for them; if security is given for the issue, of course the customers of those Banks will estimate their solidity in other respects as they think fit, and the public at large have nothing more to do with them.

2588. The question was put to you with regard especially to the interests of the

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the Bank of England; are you aware that it would interfere with the interests of the Bank of England?—No, I do not perceive it.

2589. Supposing the districts in the country to be wholly freed from the interference of the Bank of England by any exclusive privilege possessed by it, are you of opinion that any Banking Company upon a large foundation might be established in the Metropolis and the district around it, not chartered with limited responsibility, but having the power of issuing its notes without detriment to the interests of the Bank of England and its power of conducting the banking business of the State?—I have already stated that I object extremely to any thing like competition in the issue of notes in the Metropolis.

2590. Do you think that competition would be equally detrimental when carried on by a Company not having the advantages of limited responsibility as possessed by the Bank, as it would if it were put in complete competition with the Bank by possessing the same privileges?—Perhaps not quite so great, because it is probable that under those circumstances the amount of notes which it could put in circulation would not be so great, but I object *in toto* to the interference, I think it could only lead to mischief.

2591. You object to the establishment of any Joint Stock Banking Company issuing notes in London?—Yes.

2592. Have you fully considered the question, of what might be the effect upon the interests of the Bank, and of the Public as connected with that establishment, if the exclusive privileges of the Bank were not to be continued?—I have hardly fully considered it; I presume that you would have in that case Banks of issue established in London, and I conceive that the effect of those Banks of issue would be very mischievous; but, generally, I cannot say that I have considered the question maturely.

2593. By “mischievous” you mean mischievous to the general circulation of the country?—Yes.

2594. Would it be detrimental also to the interests of the Bank?—Of course so far as they took any portion of the circulation or other business from the Bank; if the Bank was to continue on at all the same footing as at present, I think, they would greatly increase its responsibility.

2595. Would they diminish the power of the Bank to conduct the banking business of the State?—I have not considered that question very fully, but I do not perceive that they would materially do so.

2596. Has not the Bank at present the exclusive right, by law, to conduct that part of the business of the State which belongs to the payment of the public Debt?—I believe so.

2597. Is it not upon the creation of every part of the funded debt constituted a Corporation for the express purpose of paying that debt, so long as that debt remains unredeemed?—Yes. I am afraid I cannot answer the legal question quite accurately; I think there is a clause in every Money Bill to that effect, but am not sure.

2598. Under the law which gives to the Bank that exclusive right, and imposes upon it the duty of managing the payment of the public Debt, so long as that debt exists, is any rate of remuneration assigned to the Bank for the performance of that business?—I cannot answer that question without a reference.

2599. Must it not have been understood that the Bank was to receive some remuneration for the discharge of that duty?—I suppose so.

2600. Then if the Bank is to receive the advantage of the continuance of any of its exclusive privileges, may not the State require as an equivalent some reduction in the present charge for conducting that business?—I think that is a question for the Committee and the Legislature to determine.

2601. You think that is a question open to fair discussion between the Bank and the Legislature?—Yes.

2602. Perhaps you would say that it would not be unreasonable to require some alteration, in that respect, beneficial to the Public?—So far as the change may be reasonable with reference to the expenses of management.

2603. You stated, that if there were many Banks of issue established in London, the business of the Bank of England would necessarily be materially injured; in your opinion, would it be worth while, or would it be prudent, for the Bank of England, supposing a free competition of Banks of issue were permitted in London, to carry on the business of a Bank of issue?—If the proportionate issues of the Bank of England were very materially diminished, while, as

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it is now, the Bank was to be saddled with more than a proportionate liability of providing coin for other issuers of paper, I should think that it would not be worth while for the Bank to continue to carry on business as a Bank of issue; but I do not see exactly how the question can be answered with confidence, without some previous experience, unless certain data are assumed.

2604. If there were many Banks of issue in London, would not, in your opinion, the uncertainty in which you would be kept as to the demands that might be made upon you for your own paper, be so great, as materially to diminish any profit that you have from the issue of notes now?—I should think so, decidedly.

2605. If the profits you make now upon the issue of paper are moderate in comparison with the trouble and expense of the business, and are but small in comparison with the profits made by the Bank as a bank of deposit in London, would it not be for the advantage of the Bank of England to abandon the issue, keeping, as it would equally do, its business as a bank of deposit?—I should think so, supposing that the other Banks materially interfered by the amount of issue they furnished.

2606. Is it your opinion that the proportion of the general profits of the Bank which is derived from the issue of its paper, is small with reference to the other profits of the Bank?—I should say generally, that it was so; I saw an Account relative to this matter, which was rendered to the Committee, and can be referred to; and to the best of my recollection, I agreed generally in the propriety of that Account.

2607. Did that Account make the profits upon the issue small in comparison to the profits made by their other business?—I think so, at the present period.

2608. Are you of opinion, therefore, supposing the Bank remained a bank of deposit, deprived of its power of issuing paper, that it would only be deprived of an advantage which you do not estimate to be very great?—That is a question that I could not answer without much more consideration than I am now able to give to it; because, besides the direct profits attending the issue of paper, there may be some indirect profits in connexion with the other business of the Bank, which I am not at present able to estimate.

2609. If it is a profit either direct or indirect, is it not a profit resulting from the issue of paper?—So far it is.

2610. If the Bank does not derive profit from the issue of paper, what injury could the Bank receive by suffering other Banks within the limit of 65 miles to circulate their paper without restriction?—I never said, nor do I mean to say, that the Bank does not derive profits from its circulation; I do not think that the profit of the Bank, from its circulation, is so great as is usually supposed, but of course the profit still is considerable.

2611. Would you not think that if that privilege of issuing paper were taken from the Bank, the Bank could afford to make a much smaller compensation to Government for the renewal of its charter?—I should certainly think so.

2612. You have expressed an opinion that Banks other than the Bank of England should not be allowed to issue without security; do you mean without the Public having the security of knowing that they are establishments founded upon capital, or security upon the deposit of some assets in proportion to their issues?—In giving that opinion, I expressed it as a private individual, without any reference to my situation as a Bank Director; but I entertain a very strong conviction that no individuals or bodies of individuals should be allowed to issue paper money at all, without placing full security in the hands of the State, in some way or other, so as that the holders of their paper never could under any circumstances suffer from their insolvency.

2613. And you would not think the establishment of Joint Stock Companies, where care was taken in their charters to ascertain that there was a real existing capital, a sufficient security to the Public, without a deposit of some assets in proportion to their issues?—It is difficult to say that a very large amount of capital paid up might not afford sufficient security to the Public; but I should prefer to make the rule general, that security should be given in all cases; and I do not think therefore that any amount of capital paid up should be considered sufficient to exempt any particular body from the obligation.

2614. Are you not of opinion that the necessity of giving security would prevent those Banks from using their capital, which would be the result of their issues in the country, for those purposes of circulation and facility of business in the

the country upon which their utility in the country necessarily depends?—*Pro tanto*, certainly.

2615. For instance, taking the case of a Country Bank established in any country town, if it were obliged to make its deposits in the Metropolis, instead of the funds resulting from that establishment being used for the purpose of facilitating the business around that town, would they not all be brought to the Metropolis for the purpose of giving what you call security to the Public?—That would depend upon the way in which the security was taken, and I am not prepared to suggest any specific plan for the purpose.

2616. Nothing is more plausible than the suggestion, that every person that issues paper should give security; but the difficulty is in devising the details of a plan by which that security shall be given; have you thought of any plan by which that security could be given?—No, I am not prepared to suggest any plan to the Committee, nor have I ever considered the matter with a view to its details; but I cannot conceive that the duty would be insuperable.

2617. Can you suggest any other plan than of holding of exchequer bills, or public securities of some kind or other?—I am not prepared to say that exchequer bills or public securities are the only securities which ought to be taken, mortgages or even personal bonds might be accepted to a certain extent.

2618. Might not there be great public inconvenience in having only one description of security; supposing, for example, you compelled every Country Bank without discrimination to hold public securities by way of guarantee to the Public, then in case of a general discredit of the paper circulation, there would be a general sale of those public securities on the part of every Bank throughout the country; might not therefore the real security of the Public be diminished?—It would seem so; but that would be an extreme case, which could hardly occur.

2619. Would you require security for deposits?—No.

2620. Are you aware what proportion the deposits bear, generally speaking, to the circulation of the Country Bankers?—I am not aware, but should think a very considerable proportion.

2621. Supposing the circulation of a Country Banker to be 100,000 *l.* and his deposits to be 200,000 *l.* and that that Banker, having given security for his circulation, should become insolvent; would not the holder of his notes be paid at the cost of his creditors that had placed deposits in his hands?—I do not exactly perceive that; the owners of those deposits would know the conditions under which they place their money in his hands.

2622. In case of a Banker failing under those circumstances, would not the creditors for money on deposit receive a less dividend than they would receive if the Banker had given no security for his circulation?—They might or might not; probably they would receive less.

2623. Supposing the case that has been stated to you, that a Country Banker's circulation amounts to 100,000 *l.* for which he is obliged to provide security in exchequer bills or other Government securities, ought it not necessarily to follow that he must be possessed of a double capital to answer the sudden emergencies and calls made upon him in case of a sudden or unexpected panic, or in what other manner would it be possible for him to meet the demand that might be made upon him for gold in exchange of his notes?—I think that would depend upon the mode in which the plan for taking security was arranged; of course the capital which the issue of notes might furnish him would be a borrowed capital, independent of what he otherwise possessed; it would not properly be his own; of the security given, one-third or one-fourth might be in coin. I hope that if security was given, few or no panics would arise involving a discredit of Country Bank paper.

2624. Would not there be a great loss from having a capital lying dead and unemployed, from which the individual would receive no interest or profit whatever?—*Pro tanto*, the profit would be reduced.

2625. If a person placed in that situation were suddenly called upon to dispose of his public securities, for the purpose of meeting a demand made upon him in a panic, would not that necessarily cause to him a very considerable loss in disposing of that property?—That would depend upon the mode in which the securities were given.

2626. The question supposes them to be vested either in exchequer bills or in stock?—

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stock?—Of course if they were to be invested in stock, at a high price, and the sales were made at a low price, there would be a loss.

2627. Would not the suddenly selling a large proportion of stock of Country Bankers, upon a sudden emergency, necessarily lower the price of stocks very considerably?—I think the whole question depends upon the mode in which the security is taken; I think it might be taken in a species of security that would not be liable to great variation; and that if such security were given, the violent contractions and expansions that we have now occasionally perceived would not take place. I do not see under those circumstances how you could have, so far as the issues of Country Bankers extend, any mercantile panic; you might have political discredit, but you could have no mercantile discredit.

2628. Would you think landed securities sufficient?—I cannot see any objection to taking landed security to a limited extent.

2629. If such security is given as you allude to, would you then consider that Country Banks should have a limited or an unlimited responsibility?—They should be subject to the same regulations as other mercantile establishments.

2630. The Bank of England being the largest Bank of issue, what security should you propose that the Bank itself should give for the amount of its circulation?—If we take the Bank as it is now, there is first of all the security of its capital lent to Government, and then there is the security of the Dead Weight and Exchequer Bills.

2631. Would that be solely applicable to its issue?—It might be made solely applicable to its issue if there was to be a law passed to that effect.

2632. Do you consider that if there is a general rule of that kind, the Bank of England should be included in it?—Certainly; the Bank does in fact always give the most ample security for its issues.

2633. Do you think it would be advisable for the Bank of England to appropriate its paid-up capital and all the debts of Government, to the payment of its issues, solely without reference to its deposits or to the amount of its liabilities, whatever they might be?—I should say generally that if it were possible to secure the Public against all loss whatever in their transactions with Bankers and Banks of all kinds, without producing a major evil, it would be desirable so to do; but I see no possible plan by which the Public can be thus secured against insolvency on the part of Banks or Bankers in their general transactions, so far I think people must be left to their own discretion; I can perceive, however, a plan generally, though not prepared with specific details, by which the Public can be completely relieved from all danger of loss. With respect to the circulation, it is my individual opinion, and I beg the Committee to understand that it is merely my individual opinion, and that my colleagues at the Bank are not implicated in it, so far the Legislature should interfere, and should protect the Public against the possibility of loss. There is a strong distinction between the circulation of a Bank and its other liabilities; the latter are strictly voluntary on the part of the Public, but private persons have frequently no option in taking the former.

2634. Supposing the Country Bankers should refuse to issue any notes under the terms of lodging securities, what do you think would be the effect upon the general currency of the country, how could it be supplied?—I have no doubt that parties would be found who would supply the currency of the country on those terms.

2635. Supposing they were not willing to do that, in that case would not considerable difficulty arise in the country, from the contraction of that circulation which they have hitherto afforded?—There might be some; I can hardly allow the supposition; but if it be assumed that there really is no body of men who would supply circulation on such terms, of course you would have a metallic circulation.

2636. Has not the question of the profit arising from the circulation, lately been before the Court of Directors, in the consideration of the rate of interest they should give to the Country Bankers at the Branch Banks?—I am not aware that it has been formally before the Court of Directors; the attention of the Bank has been more or less directed to that subject for a considerable time.

2637. What is the rate of discount allowed to the Country Bankers that do not issue their own notes?—Three per cent.

2638. Has there been no question before the Court of Directors recently, upon which they have determined that the profit was so small that they could not

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not afford to do it at a less rate?—I cannot speak with a great confidence, but I think there is very little profit to the Bank at three per cent, in the mode in which the Bank make their issues.

2639. Then should you reckon the charge of the circulation to the Bank at two and a half per cent?—To the best of my knowledge, there was a calculation which made it amount to about two per cent.

2640. Supposing that Country Bankers were required to lodge exchequer bills for which they should receive two and a quarter per cent interest, could it possibly be worth their while to issue paper which would cost them two and a half per cent?—In that case it could not be worth their while; but I do not know any reason why they should give security solely in exchequer bills.

2641. Would not the regulation you have proposed, of obliging the Country Banks to give security, immediately tend to drive the Country Banks into the system which the Bank has been endeavouring to promote, of their using the Bank of England notes instead of their own notes?—Perhaps it might.

2642. Supposing that when a Country Banker fails, there should be a poor person a creditor for 10*l.* holding a deposit note for 10*l.* of that banker, bearing interest, and another person holding a 10*l.* circulating note of the banker bearing no interest, would you think it a just law which should pay one of those creditors at the cost of the other?—I think perfectly so, because the depositor would know perfectly well the terms upon which he took his deposit note.

2643. Do you consider that monopolies are, generally speaking, advantageous in commerce?—No, to a great degree disadvantageous.

2644. Would you apply that to the Bank of England?—I do not apply it to the furnishing the country with circulation; I think that is an exception to the general rule. I only look at monopolies as disadvantageous, because upon the whole I think that in 99 cases out of 100 they do mischief. If I find that in the hundredth case they do not do mischief, then I approve of them in that instance; and I believe that the supply of paper currency to the country is one precise case in which they do not do mischief.

2645. Then, if the State should determine to issue 20,000,000*l.* of State paper, either payable in gold or secured by a deposit of bullion to an equal amount, might not the banking trade of the Metropolis be thrown open to competition without any inconvenience?—Yes. There may be perhaps some advantage in having one large body, in times of commercial distress, of very undoubted solidity, whose credit shall ride over that of even the best conducted and most wealthy private establishments; but I am hardly able to estimate the precise extent of that advantage.

2646. You have stated the amount of exchequer bills held by the Bank at different periods, from 1819 to 1826; does the advance of the Bank on exchequer bills differ in any degree, either in security to the Bank or in its influence upon the Public, from any other advance which the Bank may make on Government securities?—I do not exactly perceive the drift of that question; but I do not know that there is any difference.

2647. In the Account you gave, it appeared that the advances upon exchequer bills were, in June 1822, 12,100,000*l.* and in June 1825, 12,900,000*l.* making a trifling advance on exchequer bills; it appears by an Account which has been laid before Parliament, that the whole amount of the advances of the Bank on Government securities, given in the month of February 1832, were 14,100,000*l.*; in the month of February 1823, 14,900,000*l.*; in February 1824, 14,600,000*l.*; and in February 1825, 19,600,000*l.*; it would appear from that, that if the Bank did not increase its advances on exchequer bills, it did increase at that time its advances on other Government securities; would not that be a means of increasing the circulation of the notes of the Bank?—It certainly would have a tendency that way, but that tendency might be counteracted.

2648. Would not the increased advance draw out Bank notes, which Bank notes might be sent in by other means?—Yes.

2649. But the effect of the advance would be an issue of Bank notes, founded on Government securities?—Yes.

2650. You stated that between 1822 and 1824 the issues of the Bank had not increased at all, except on bullion; can you state what the additional amount of issues on gold was?—I think it was 2,100,000*l.* up to April 1824.

2651. Then an increase having taken place upon gold of about 2,100,000*l.*, would you say from that, that whatever effect those issues of the Bank had in

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increasing the country circulation, or in exciting that spirit of speculation that existed in London, would be as much produced by the increased issues made upon gold as by the increased issue made upon Government securities?—I do not see that it makes any difference whatever as far as regards the effect produced, upon what species of security the issue is made; when Bank notes once come into circulation, they are money. There is a great difference as far as the Bank is concerned, because it appears to me that issues upon gold are unavoidable, the Bank has no control.

2652. Then whatever effect was produced between 1822 and 1825, by the increased issues of notes of the Bank of England, you would expect to see produced again whenever during a similar space of time the Bank of England should make a similar increase of its issues, though made upon gold?—In the first place, I consider that there was no voluntary increase at all made by the Bank of England during that time, and that the disasters of 1825 were by no means the necessary consequence of any increase that might have taken place in the Bank issues in the interval; I believe that a similar increase might have been made ten times or perhaps 100 times over, without an equal subsequent excitement.

2653. But so far as that issue of Bank notes produced that effect, do you think it would be liable to produce the same effect again?—I cannot allow that it did produce that effect at all.

2654. But if it should be proved that it produced a great effect in increasing the issue of notes of the Country Bankers, and of increasing the state of speculation in London, would you expect a similar result to follow a similar operation?—If that were proved, undoubtedly, to a certain extent.

2655. You say that you think no advance of notes took place, but that the increase took place on gold; it appears by the Returns to Parliament made by the Bank, that on the 26th of February 1822, the notes of the Bank, taking out 1*l.* notes, were 16,700,000*l.*; on the same day in 1823, they appear to have been 17,400,000*l.*; on the same day in 1824, 19,300,000*l.*; and in 1825, 20,600,000*l.*; by a statement which is before the Committee, the average bullion in the hands of the Bank, for the year ending February 1822, was 11,600,000*l.*; and for the year ending the 28th February 1825, was 11,800,000*l.*; is that reconcileable with your opinion that the increased issue of Bank notes which accompanied that period, was made on bullion?—I can only say that I have seen an account made up according to what I stated to the Committee on a former day, by which it appears that between the 3d of January 1822 and 1st April 1824, the facts were as I then stated. The Committee must be aware that it is extremely difficult to fix upon the periods of comparison for the Bank issues; there are many causes of disturbance, merely temporary in their nature, and which, if regarded, would lead to fallacious results; in general, and on the whole, the termination of each quarter seems most free from them.

2656. Must it not have followed, since the average appears to be what has been now stated, that on those particular days which you have given an account of, there must have been accidental variations?—No, those days are chosen because they are just before the issue of the dividends; I conceive that they give the fairest general notion of the state of the Bank.

2657. Do you refer to the Bank notes, or bullion?—Chiefly to the notes.

2658. Why did you take the Bank notes in the month of January in one year, to compare them with the Bank notes in the month of April in another year?—Because there is a great apparent increase on the 1st of April 1824.

2659. Would you not admit that no fair comparative view of the notes of the Bank can be obtained at different periods, except by taking corresponding periods in each year, or the average of each year, in order to get the comparative quantities of Bank notes in circulation?—There is nothing more difficult than to obtain a perfectly fair comparison; you can merely compare in the two ways that have been proposed; but I am not quite clear that we should always obtain a satisfactory result by comparing certain periods of one year with certain periods of another year; it may be an approach to fairness, but you might also have to compare certain periods of one quarter with certain periods of another; it is an exceedingly difficult matter to lay down any standard of comparison, perfect at all times and under all circumstances.

2660. Is not the mode that has been suggested, the best?—I think it is, with the modification I have suggested, of occasionally comparing one quarter with another,

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another, instead of one quarter of each year with the same quarter of another year.

2661. To judge of the comparative issue of Bank notes one year with another, would not you take the corresponding quarters of those two years?—Unless there was some disturbing circumstance.

2662. Would you not go on and take other quarters, still taking corresponding quarters?—Yes, that is apparently fair; but it may require modification.

2663. Would it not be easy to sustain almost any theory with respect to the increase or diminution of the notes of the Bank, by selecting arbitrarily at pleasure certain figures from the Tables of the returns of the Bank notes?—I am not able to answer that question generally; I must have an example given me.

2664. The Return before the Committee shows, that for the year 1822 the amount of Bank notes in circulation, deducting the notes of one pound, were 17,860,000*l.* upon the average of the whole year; that for the average of the year 1823 they were 18,629,000*l.*; for the average of the year 1824 they were 20,135,000*l.*; and for the year 1825, 20,105,000*l.*; whilst the average of gold held annually by the Bank during that period was in the year ending February 1822, 11,600,000*l.*; in February 1823, 10,200,000*l.*; in February 1824, 12,600,000*l.*; in February 1825, 11,800,000*l.*; does not that average show, that in making a fair estimate of the increase of Bank notes, as made on bullion, we could not properly allow for more than one million, at any part of that period, as being issued on bullion?—That is a very wide question, which I can hardly answer, but as far as I perceive, I should say no; it may happen that a general average will be affected by a large accidental increase or diminution, of too short a duration to affect prices, and thus influence the general currency of the country.

2665. You spoke of a considerable reduction in the notes of the Country Bankers down to 1822, to which you ascribed material effects upon the prices at that period; are you aware whether the notes of the Country Bankers were reduced between 1818 and 1822 in a much greater proportion than the notes of the Bank of England were reduced at that period?—I have no very accurate knowledge upon that subject, but I apprehend they were reduced much more.

2666. Do you apprehend that there was a great increase of the notes of Country Bankers between 1822 and 1825?—I should think an immense increase; I have heard it computed at about six millions or eight millions.

2667. Would you ascribe to that a great part of the speculation that accompanied that period?—Yes, so far as the excitement may have depended on an increase of currency.

2668. If it should be shown that there was an increase in the Bank of England circulation much beyond the increase of the Country Bank circulation, would you say that that opinion was unfounded?—I should conceive that as far as the increase of prices is accompanied with an increase of circulation, the answer to the question would depend upon what proportion the increase on the Bank of England circulation bore to the general currency, and upon what proportion the increase in the country circulation bore to the general currency.

2669. You stated that in your opinion a reduction of the circulation of the Bank of England is generally followed by an increase of the country circulation; do you think that consequence followed the reduction of the Bank of England notes in the year 1825?—I have no means of judging up to the moment when the discredit commenced.

2670. You stated that if a new Bank of issue were established in the Metropolis, it would occasion great oscillations, and the evils attendant upon oscillations in prices and in money; do you think that those oscillations would be greater than the oscillations which have been experienced within the last ten years?—I think that the currency has been in a very unsatisfactory state during the last ten years; but am of opinion that if the competition in the issue of paper money had been unlimited, the oscillations would have been still greater.

2671. Would they have produced more injurious effects?—I think so.

2672. Would they have gone nearer to the destruction of our paper credit?—I think so.

2673. Are you aware how near we arrived at that state of things?—Yes.

2674. Do you think that under any system of Banks, more or less numerous, the financial credit of the country could be placed in greater danger than it was

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in May 1832?—I think so; the discredit might have applied to all paper money whatever.

2675. Was not the danger considerable in May 1832?—I can hardly give an opinion upon that subject, there was a great degree of political discredit, which is always a period of some anxiety.

2676. What would have been the effect if that political discredit had continued a week longer?—It would not have been very material, if it had continued only a week longer; it must have continued a considerable period more than that, to have placed the Bank in danger. The sacrifices entailed on those demanding gold for notes would have increased with the daily reduction in the latter, while the impulse given to the import of treasure from abroad would have augmented.

2677. Would it have drained the coffers of the Bank?—I think not; the Committee know what the means of the Bank were at that period.

2678. It appears that the amount drawn out was 1,600,000*l.* and that the amount of coined gold in the hands of the Bank on the 1st of May was between three and four millions; would not that state of credit which caused 1,600,000*l.* to be drawn out in a few days, have exhausted the treasure of the Bank if it had continued much longer?—If you assume a certain fixed drain and a certain fund to drain from, of course the result is a mere matter of arithmetic. I consider that no one Bank and no system of Banks can possibly stand a political discredit, if it is understood that they are to make any profit at all upon their issues; in order to be perfectly secure, you can have nothing but bullion notes, something like what you would have, supposing a Bank like that at Hamburgh were to issue receipts for the treasure deposited in its vaults, which receipts should pass as money: it matters not whether you have one Bank or a dozen Banks, the rule is general.

2679. Would bullion notes be a security against political discredit?—They would always afford the Bank the means of paying every note; nevertheless, political discredit would still expose the country to great inconvenience, it would destroy the advantage of a paper currency in the way of convenience, whatever that may be.

2680. Must not the loss to the country be estimated, by estimating the additional amount of bullion retained?—I think it would be rather a tedious calculation, and would require much consideration to form an exact opinion of the loss to the country under such circumstances; but there would be so much additional capital in the shape of bullion, which might otherwise be profitably employed; and I apprehend it would be incorrect to estimate the annual loss merely by the amount of the interest which so much money would fetch in the market; you must take the loss of profit in so much capital actually employed in trade, that might perhaps be 7 or 8 per cent.

2681. Why would you reckon it at 7 per cent, when capital can be borrowed in the market at three per cent?—Because the rate at which capital can be borrowed in the market is not the measure of the wealth which it furnishes to the individual possessing it, or to the community, it is merely the price which people are willing to take for the use of it, with a greater or less degree of risk, and with no trouble; you must add the borrower's profit to it.

2682. If the additional security and facility were by those means given to paper credit and the operations of the country generally, would it not be an advantage which you would estimate far beyond any loss upon the interest, however calculated, of such a sum as twenty millions?—That is a question, the answer to which requires a great deal of consideration, and I do not think I am able to give one which would be satisfactory.

2683. In what respect do you think the paper circulation of the country has been in a very unsatisfactory state for the last ten years?—I refer particularly to the exposure to mercantile discredit, and to the other disasters which took place chiefly in the year 1825; the want of solidity of a portion of the paper currency, as shown then, and the discredit to which so large a portion of the remainder was exposed.

2684. Do you apply your observation as to the unsatisfactory state of the paper currency, to the period since 1825?—In a great degree; I think that as long as you have any paper currency in circulation, for which security is not given, the circulation must be in an unsatisfactory state.

2685. As the paper currency now stands, and unless the Bank of England can secure

secure the whole circulation of the country, do you think that any effectual security can be given against the greatest risk of stoppage of the Bank?—I do not think that the Bank would incur any very great risk of stoppage under the circumstances supposed, though it might be placed in some peril, without any fault of its own. I think, as I have stated already, that the larger may be the proportion of the whole currency which shall consist of Bank of England paper, the more easily and safely will the affairs of the Bank be managed.

2686. Then you do not think it necessary to the safety of the present paper system, that the Bank should have the whole paper circulation of the country?—Our present system is not one in which the Bank has the whole circulation of the country.

2687. And you think that is not necessary to render our present system secure?—I think, speaking generally, the paper system of the country would be more easily and better managed, if there was only one issuer.

2688. But without the Bank being the sole issuer, and without the other Banks giving security, do you think you could rely upon the security of our present paper system?—I would not say that I could long rely upon it; the seeds of mischief are almost as much in existence as they were in 1792.

2689. What is the quantity of sovereigns that can be coined at the Mint in any given time?—I have no means of knowing.

2690. Can you state how many sovereigns you have ever obtained from the Mint, coined in one week?—I could learn that at the Bank, but cannot answer from recollection.

2691. At the present moment, is not the management of the circulating medium, as far as the Bank is concerned, entirely under the control of the Directors of the Bank of England?—I should say it was, except that they are controlled by the obligation of paying in gold, or issuing notes upon gold, of either furnishing notes for gold, or gold for notes; and also, I conceive they are to a certain degree controlled by the custom that prevails, of the affairs of the Bank being communicated from time to time to His Majesty's Government, and all suggestions made by His Majesty's Government being always maturely considered; those, as far as I know, are the only checks upon the conduct of the Directors of the Bank, other than that of public opinion, which must operate upon all men filling official situations.

2692. Does the check, of their being obliged to pay in gold, make it impossible that there should be great fluctuations in the amount of currency?—It limits the fluctuations, but it cannot prevent them; I apprehend that with a purely metallic currency, you would have great fluctuations.

2693. Do you consider that it would be advantageous to the Public that any more efficient control should be established over the Directors of the Bank of England, than at present exists?—The only efficient and useful means I can conceive for controlling, otherwise than at present, the Directors of the Bank of England, except by the creation of some new body in the nature of the Board of Control, which I suppose is not contemplated in the question, would be to make them more amenable to public opinion, and to the scrutiny of the Proprietors and of the Legislature.

2694. Should you think it advantageous that they should publish their Accounts?—Speaking merely as a private individual, and without implicating my colleagues, some of whom may entertain one opinion and some another upon that subject, I have a very strong opinion myself in favour of the publication of Accounts.

2695. Will you state what you mean by the publication of Accounts?—A periodical publication of all the most important items, calculated to inform the Public of the true situation of the Bank of England, the circulation, deposits and bullion, as well as the Accounts of profit and loss.

2696. If such a publication had taken place at the close of the year 1825, what would have been the effect of such a publication?—I think the effect might have been dangerous, especially if publicity had only commenced at that time; yet it is impossible exactly to say what effect might have been produced on the public mind, from a knowledge of the low state of the treasure; injurious consequences need not necessarily have followed. I contemplate one great advantage as likely to arise from the publication of the Bank Accounts, in the gradual growth of a greater degree of information as to the working of the currency altogether; and I look to that as an additional source of security; the Bank is

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now frequently exposed to great inconvenience, in consequence of the ignorance existing in the public mind, as to its duties, situation, and mode of action.

2697. Do you think that the publication of the Accounts would have had any tendency to prevent such a state of things occurring, as that which occurred at the end of 1825?—If publicity had extended to the Country Banks as well as the Bank of England, much good might have been produced; but I look upon what took place in the year 1825, as I stated before, to have been a sort of mental disease, by no means wholly traceable to the currency at all, and as appears by the Accounts, having no connexion worth mentioning with the Bank circulation.

2698. You have stated that you think the advantage of the publication of the Accounts would be, by giving more information to the Public, and instructing them more in the nature of the duties and action of the Bank?—And also exposing the Directors to criticism, and laying open more completely the conduct they follow in the management of the Bank.

2699. But you do not think it would have prevented the crisis that occurred in 1825?—I am inclined to think that it would have prevented much of the mischief which then took place; yet I firmly believe that if the currency had been metallic in 1825, there would have been an immense mercantile excitement. I think it highly desirable, and necessary indeed, that the amount of the circulation of the Country Banks in England, and the Scotch Banks, as well as that of the Bank of England, should be published.

2700. Do you think that the tendency of the publication of the Accounts would be to prevent the bullion in the Bank of England falling to a very low amount?—I think it would have the effect of keeping up a general system of good management in the affairs of the Bank, and might, as a part of it, enforce a due degree of attention to the state of the bullion reserve. I can easily see that under certain circumstances it might be inconvenient.

2701. Would those circumstances be when the amount of the bullion in the hands of the Bank was reduced low?—Yes; but I conceive that if the Accounts were published, the great mass of the Public would perceive that the ultimate solvency of the Bank was indubitable; that it could never be their interest to produce a crisis in its affairs; that a political discredit must always be disadvantageous to the country at large, and especially to the laborious class; and consequently, I should think an attempt to produce such discredit would be an unpopular act.

2702. You have already stated that if they had been published at the time of the commercial discredit which occurred in 1825, it would probably have been productive of considerable inconvenience; would not that inconvenience have been, that the credit of the Bank itself would have been shaken?—It might have been so.

2703. If, then, the publication of the Accounts would not prevent such a state of things, and if in the case of such a state of things occurring it would be dangerous to the Bank, does not that appear to be a reason against it?—Yes, so far; but I by no means allow that the publication of the Accounts would necessarily have produced evil in 1825, nor do I think that the advisability of adopting a system of publicity should be decided exclusively with reference to what took place then.

2704. Do you happen to know whether in 1825, very shortly after the Crisis, the very low state of bullion to which the Bank was reduced, was not a matter of almost public notoriety?—It was known very generally, but I cannot say to what extent.

2705. If under present circumstances it becomes a matter of general notoriety, is it not much better that the real situation of the Bank should be made known by publicity, and may not that prevent an exaggerated statement of the difficulties in which the Bank is placed?—I have already stated it as my opinion, that generally the Bank are more likely to suffer from the ignorance than from the knowledge of the Public; the amount of their treasure may be under estimated as well as over estimated; and I am not by any means confident that a knowledge of the real situation of the Bank in December 1825, would have been prejudicial. I think I stated in answer to a former question, that I hardly knew how to form an opinion upon the subject; there is something at first sight very alarming in the fact, of its being published all over the country that the treasure of the Bank was reduced to 1,200,000 or 1,300,000*l.*; but I am not by any means confident that the general knowledge of it would have been prejudicial.

2706. Do

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2706. Do you, or not, consider that the publicity of the affairs of the Bank, by the influence it would have upon the public opinion and upon the management of the Bank's affairs, would have any tendency to prevent the recurrence of such a crisis?—It would have a tendency that way, so far as the evils of 1825 were connected with mismanagement in the banking system, and ignorance on the part of the Public. I have already stated my general opinion as to what occurred at that period.

2707. You have stated, that the opinion you have given with respect to the publicity of the affairs of the Bank is your own individual opinion; can you state what is the prevailing opinion of the Court of Directors upon that subject?—I am hardly able to state that; the Directors have of late years been placed under circumstances which rather interfered with their free agency upon this point; it has been generally imagined that as the whole affairs of the Bank were so speedily to be submitted to the Legislature, and as, moreover, the proprietors of Bank stock had repeatedly decided that they did not desire to have the Accounts published, I think it has been the general feeling among the Court of Directors that it was not expedient and hardly within their competence to make an alteration in the existing system; indeed whatever might have been done with the mere mercantile, I do not think we could have taken upon ourselves the responsibility of disclosing so important a fact as the amount of treasure, without the sanction of the Legislature, unless compelled to do so by the Court of Proprietors.

2708. Applications having been made at successive Courts to obtain that publicity, has not the Court of Directors been called upon for a specific opinion upon that question, whether it would or would not be expedient to lay open their affairs to their proprietors in that case?—To the best of my recollection, the opinion of the Court of Directors upon this point has never been asked in the Court of Proprietors.

2709. Do any number of the Directors of the Bank participate in that which you have given as your opinion upon this question?—As far as I can judge from conversation and other circumstances, I should say that several do; but so far as relates to the bullion, the question has never been brought before the Court. We have always been hampered to a certain degree by the prospect of this inquiry; the general question has been discussed more than once.

2710. Are the Committee to understand that it is a question upon which the Court of Directors are much divided in opinion?—I should think so.

2711. Do you mean that they are much divided upon the point of divulging the amount of bullion in their possession?—Yes, I should think that is the item which those who are opposed to the publication of Accounts would consider as most important; but there are differences of opinion as to the publication of Accounts generally.

2712. Do you apprehend that there could be much difference of opinion as to any publication of any other part of the Bank's affairs?—There are other differences of opinion, but I cannot say to what extent.

2713. Would you not consider that the publication of any other item but that of the amount of bullion, could merely be objected to by the Bank with reference to its individual interest, but that the divulging the amount of bullion might be considered as being attended with danger to the Bank?—Yes, the present system having gone on so long, and there being possible danger from the knowledge by the Public, of the bullion in possession of the Bank, it has been thought that the Directors would not be authorized, without the sanction of the Legislature, to divulge that particular item.

2714. Does not the power exist in the proprietors of Bank stock, at a general court, to call for any account they please?—Of course.

2715. Have not the decisions of the general courts proved that the Proprietors have by very large majorities been adverse to the publication of this secret?—So it would seem; they have negatived publication generally.

2716. Are you aware that it has been stated by the Governor of the Bank in open court of the proprietors, in reply to a demand made by one proprietor for the publication of the Accounts, that he wished not to consider the naked question as you term it, the advisability of producing the Accounts of the Bank to the Public, but that he wished the consideration of that to be deferred until the general question, which he thought was one of State policy, came under the consideration of the Legislature?—There have been some discussions in the Court of Proprie-

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tors, in which the Governor has taken part, upon the subject, but I can hardly charge my memory as to whether the Governor did state any thing of that sort.

2717. You stated that the occurrences in 1825 arose from a moral epidemic that will occasionally show itself in the commercial affairs of a country; are you not aware that those symptoms not only showed themselves in 1825, but that they have been of not unfrequent occurrence in the transactions of this country, and almost every other commercial country in the world?—Yes, I believe so.

2718. And whenever those occurrences do arise, are the Committee to consider that it is your opinion that the secret being known, of the extreme reduction of the Bank's treasure, is a secret which may add to the dangers that are impending over it?—Of course; if there are any persons who have a wish to produce a stoppage of payment on the part of the Bank, or if there are any persons whose fears may be excited, and who may think that if they do not run and get gold for notes to-day, they may not have an opportunity of getting gold for notes a week hence, I should say that under both those circumstances the knowledge that a very small amount of treasure remained in the hands of the Bank might be a source of danger; but, on the other hand, it is to be considered that the Bank cannot have a very small amount of treasure without the circumstance being generally known, although the exact amount may not be divulged; and a question may be raised, whether in such a state of things the treasure in the hands of the Bank may not be under estimated by the Public rather than over estimated.

2719. May not the treasure of the Bank be run very low without any fault on the part of the Directors?—Yes; I think that was the case at the end of the year 1825; the extreme reduction arose from causes completely beyond the control of the Court of Directors.

2720. If that be the case, that the treasure of the Bank may be run very low without any blame being imputable to the Directors, and if danger arises when it is run low, in what manner is it possible that the public opinion can act upon the Bank through a knowledge of its secrets, so as to prevent a recurrence of those periods of danger?—I do not of course consider publicity a remedy for all possible evils in the banking system, but merely as greatly preferable to secrecy. I think that the extreme reduction in the amount of treasure at the end of 1825 arose from the discredit of the paper of the Country Banks. We had a very large demand for coin after the fair demand for exportation was satisfied. Now the Bank, in point of fact, was perfectly solvent at the end of 1825; nobody who knew its real situation could have had any reason to fear that he would not ultimately be paid; and it seems to me that on the whole a knowledge on the part of the Public need not have produced any mischief, although it might have created increased anxiety in the minds of the Directors.

2721. If the Public had generally known that you had not half a million of coin in your coffers, would not that have been drawn out instantly by a general panic?—I can hardly say what the effect would have been.

2722. You are of course aware of the recourse the Bank was obliged to have, in that year of the Panic, to Mr. Rothschild, for the purpose of replenishing its coffers; do not you conceive if the speculators, with great powers, knew your precise position, that for the purpose of making their services useful or indispensable to you, they could thwart your means of righting yourselves without their assistance?—No, indeed, I do not think so; the means of supply are so great, and the channels so numerous, that no one, or two, or three great capitalists, in my opinion, could thwart us, except perhaps momentarily.

2723. Are you, then, of opinion that the Bank did wrong in applying to Mr. Rothschild at all, and that it might have righted itself without any assistance whatever?—I do not think the Bank did wrong under those very extraordinary circumstances.

Sabbati, 30 die Junii, 1832.

THE RIGHT HON. LORD VISCOUNT ALTHORP, IN THE CHAIR.

George Warde Norman, Esq. called in; and further Examined.

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2724. YOU are, no doubt, aware that gold, which is the standard of this country, is an article of merchandize in other parts of Europe?—Yes, I am aware of that.

2725. Do

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2725. Do not you think that the knowledge that individuals might have of your want of that merchandize, considering its limited extent as compared with the other metallic media of circulation, might be the means of preventing your acquiring the supply you might want?—No, I think the supply is so large, that it would be impossible to raise the agio of gold in the foreign markets beyond a certain point; I cannot say exactly what that point would be.

2726. When the Bank were in the state of want which has been described in 1825, was it represented to you, or was the information you received, of a nature to lead you to suppose that the supply was very abundant in the other markets of Europe?—I am not able to answer that question.

2727. You never heard it stated that a great portion of the gold that came over was brought out of the Bank of France?—No; the Bank of France is a considerable dépôt for gold; but I never heard any thing specific upon the subject.

2728. Did you ever hear that it had become a subject of deliberation, whether it was desirable to place any impediments in the way of the Bank of England supplying itself?—No.

2729. Are not the Bank, under the best management, occasionally in the case of their treasure falling below the mark at which they would wish to maintain it?—It certainly has been so hitherto, occasionally.

2730. Do you suppose it possible to conduct an establishment like the Bank, without occasional fluctuations of that description?—I should think it would be difficult; but I am not sure that under certain conceivable circumstances it might not be accomplished.

2731. Do you suppose that the Bank, being acted upon by other bodies independent of it, by Country Bankers on one hand and by speculators with foreign countries on the other, may not occasionally, under the best system of management, have to redress a state of their own cash, which may arise from the action of those bodies?—I think that those circumstances do open a source of inconvenience to the Bank.

2732. The Bank having to supply itself, either by realizing any of its securities, or any other operation, would it not be exposed to disadvantage, if its necessities were generally known to the Public?—Some difficulties might possibly arise, especially if at that time the Bank's Accounts were first made known; I think that it would be highly desirable if a general publication of the Bank's Accounts was thought advisable, that the new system should be introduced under circumstances which were unlikely to lead to any danger.

2733. Are you of opinion that the Bank beginning once upon a good system, it has the power of controlling circumstances sufficiently, so as never to be exposed to the difficulties that have been mentioned?—It would be rather bold to say that the Bank could never be exposed to difficulties; but I think that the publication of the Bank's Accounts would to a certain degree have the effect of inducing the Public to co-operate with the Bank; that the action of the Bank would be anticipated out of doors to a much greater extent than it is at present, and that from that very circumstance a source of security would be derived.

2734. Are you not of opinion also that it would induce others, from personal interest or from malevolence, to counteract the operations of the Bank?—I except altogether political discredit; but from mere motives of personal interest, I do not see that danger is to be expected. I presume these questions all relate to the publication of the amount of bullion, because there should undoubtedly be a very strong line drawn between the publication of the mere mercantile Accounts, of those Accounts in which the proprietors may be considered directly and immediately interested, and the publication of the amount of bullion, in which the Public is also so strongly involved.

2735. The publication of the state of the Bank, as to its profit and losses, you believe to be a mere question of interest between the Bank Directors and the Bank Proprietors; and so long as the Bank Proprietors have the power of calling for those Accounts, you consider that the question, with respect to that part of the publicity, can fairly be left in the hands of the Bank Proprietors?—Perhaps so, on the whole; yet I am not prepared to say that the country at large is not also interested, even in that part of the Bank Accounts.

2736. But you think the main question in which the Public have an interest, is the question of publicity as to the amount of specie?—Yes.

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2737. Do you think that publicity would render the Bank more cautious?—I should conceive it might have that tendency.

2738. And consequently more timid?—Timidity is caution in excess.

2739. Is not the benefit which the Public derives from the existence of a great Bank, much increased by leaving to that Bank, as much as possible, its free and unrestrained action?—As far as that free and unrestrained action tends to good, as far as it has a beneficial tendency.

2740. Would the objection to the publication of the Accounts of the Bank, including the store of bullion, be removed by making such Accounts retrospective; and if retrospective, after what interval might it be safe and prudent to publish the Account?—I think that a retrospective publication of the Bank's Accounts might to a certain degree be advantageous, but I can hardly say how a limit could be fixed to it in point of time, in order to prevent any of the danger which may be conceived to attach to a publication of the amount of bullion.

2741. Would not the objection that may arise, as to large capitalists taking advantage of that knowledge, be removed, if the publication were not immediate, but retrospective after a certain interval?—It is of course apparent that large capitalists could not take advantage of a state of things that might have passed away.

2742. Would not such a retrospective publication, almost equally well with an immediate publication of the Accounts, satisfy the Public as to the good and proper management of the affairs of the Bank as respects their store of bullion?—To a certain degree, but I think not equally well.

2743. If from an examination of the Accounts of several years it were to appear to the satisfaction of the Public that the Bank had prudently controlled their store of bullion, would it not give great confidence to the Public in the management of the affairs of the Bank, and so far be advantageous both to the Public and to the Bank itself?—Yes; it would be much preferable to absolute secrecy.

2744. Could the Public draw any just inference as to the prudence of the management of the Bank, from a knowledge of the amount of gold they had at a particular period; is not it possible that the management of the Bank might be much more prudent under certain circumstances when the stock of gold was reduced to 2,000,000*l.* than under other circumstances when that stock amounted to 8,000,000*l.*?—I can hardly answer that question. The amount of treasure is one important fact, but there are many others which ought to be known before a correct judgment on the state of Bank affairs could be formed.

2745. What advantage could the Public derive from knowing, either at the time or retrospectively, the amount of treasure held by the Bank?—The amount of treasure is so very important an item in the condition of the Bank, that no clear notion of its situation can be formed without becoming acquainted with it; if it be desirable that the Public should form this clear notion, the amount of bullion cannot be withheld.

2746. Do you not think that the bold and decided conduct of the Bank in making liberal issues, as they did in 1825, notwithstanding that lowness of its treasure, was a main cause of the restoration of commercial credit?—Yes, I do.

2747. Supposing it had been known to the Public that the treasure of the Bank was reduced to a very small amount, could the Bank have acted with that boldness and decision with which they did act in 1825?—I rather think it was known pretty generally; and at any rate, assuming the conduct of the Bank on that occasion to have been right, I think the Public would have upheld it in a line of action conformable to the general interest.

2748. Although it might be known to merchants in London and on the Stock Exchange, was it generally known throughout the country?—I can hardly estimate the degree in which it was known; if I am not mistaken, it was stated in the newspapers, that the reason the one and two pound notes were issued, was because the Bank had not got gold to pay with, or because the Mint could not work fast enough, which was the fact to a certain extent.

2749. Assuming that the treasure of the Bank was reduced to 500,000*l.* and that still the Bank were determined to support public credit at any risk by continuing liberal issues of their paper; and supposing that disaffected persons, for
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bad purposes, had said to the holders of deposits in the Savings Banks, throughout the country, The Bank is almost exhausted, and unless you press for a return of your deposits, and get gold immediately, you will have no chance of procuring it; do not you think there is great danger that the notoriety of the lowness of the treasure of the Bank might have superadded political discredit to commercial discredit, and insured the stoppage of the Bank? Certainly, under those circumstances I do not think such a result would have been improbable.

2750. Is not the danger arising from commercial discredit of a totally different character from that arising from political discredit? It depends of course upon the extent and the character of the commercial discredit; it is possible that commercial discredit, under a very imprudent management of the affairs of the Bank, might extend to the notes of the Bank itself; but, otherwise, the line is certainly very strongly drawn between them. I conceive that nobody who knows any thing upon the subject can imagine that, under a moderately good management, the ultimate solvency of the Bank is not assured so long as the Government itself is solvent.

2751. May there not be great commercial discredit at a time when the exchange is favourable to this country?—Yes, that was the case in 1825, and would usually happen; the immediate effect of a commercial discredit is to throw much paper out of circulation, diminish the currency, and raise the exchange.

2752. Therefore, supposing the exchange to be favourable to this country, the Bank can, without any great hazard, notwithstanding the lowness of its treasure, be very liberal in its issues for the purpose of restoring commercial credit?—That was precisely the case in December 1825.

2753. In all those cases of commercial discredit, arising at a period when the exchange is in favour of this country, would not there be peculiar danger of political discredit acting simultaneously with commercial discredit?—I do not see any peculiar connexion between them.

2754. Could the Public draw any just inference as to the state of the Bank, by knowing what was the amount of its treasure a quarter of a year ago?—I do not know to what degree their inferences might be correct; they could draw a better inference than if they knew nothing about it.

2755. Supposing the Bank had undergone a great drain of its treasure since the last quarter day before any publication was made, might not the knowledge of what the Bank had three months before tend to mislead rather than to enlighten the Public?—No, I think it would hardly mislead; I think it must be an element in forming a correct judgment, perhaps not a perfect element, but still the Public would be able to form a nearer view than if they had no information whatever.

2756. Looking at the publicity of the Accounts of the Bank as a mode of controlling the management of the Bank Directors, are there not two modes in which the control may be exercised, one by the effect of public opinion acting upon their management, and the other by the immediate operation of the Public upon the transactions of the Bank?—Yes, I should say so, if I understand the question aright.

2757. Would not the knowledge which the Public would obtain by the publication of the previous Accounts of the Bank, give them an opportunity of judging whether the conduct of the Bank Directors had been prudent or not?—I should say so, up to the time to which the publication applied.

2758. Would not that publication give the full effect of public opinion in controlling the discretion of the Bank Directors?—I do not now pronounce an opinion whether that is or not the best mode in which publicity should be introduced; but I should think it could not give the same force to public opinion as if the publication of the Accounts were periodical, and sometimes portrayed the state of affairs at the very moment of publication.

2759. At present the conduct of the affairs of the Bank is entirely at the discretion of the Bank Directors, is it not?—I think I stated yesterday that it seemed to me to be at the discretion of the Directors, controlled to a certain degree, 1st, by the knowledge possessed by the Government as to the conduct and the situation of the Bank; 2dly, by the necessity of paying gold for notes, or notes for gold; and, 3dly, to a great degree also by the effect of public opinion, because the actions of the Bank are open, and its general state cannot

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be concealed from those who choose to take a great deal of pains to acquire information.

2760. If the affairs of the Bank, both at the present time and for considerable intervals previous, excepting when the extraordinary occurrence takes place of an examination such as this which is now going on, are kept entirely secret, can public opinion have any great control over the management of the Directors?—Of course the acts of the Bank must always be public, although the facts and motives which call for those acts may not be perfectly known; so far, then, as their actions are concerned, the Directors are exposed to the review of opinion.

2761. Supposing a man was conducting successfully a large mercantile establishment, do you think that public opinion would much assist him in the conduct of it? I should think not.

2762. Do you apprehend that calling the public opinion into the assistance of the Bank, in their various transactions, would tend materially or beneficially to assist the Bank Directors in the conduct of their affairs?—I think in many respects the management of the Bank would be improved, and rendered more easy, if a greater degree of publicity prevailed.

2763. How would that public opinion manifest itself; would it be through the Press, or by what other means would the Bank Directors be able to ascertain what the public opinion is?—In the same way, I apprehend, as public opinion manifests itself when applied to other transactions, and especially by the discussions in the Court of Proprietors.

2764. In order that the Public might form a sound judgment as to the conduct of the Bank, ought not the Public to know all that the Court of Directors do?—I do not think that it is necessary that they should know all; there is a certain point, where, from the very multiplicity of items, inconvenience and confusion arises; I think that the items are not very numerous which would enable any person, tolerably well acquainted with such matters, to form a fair judgment upon the situation and conduct of the Bank.

2765. Are not the operations of persons, who deal in bullion upon a large scale, and the operations of Foreign Governments in making loans, circumstances which, although they do not control the conduct of the Bank, yet, are elements in the consideration of the Bank?—I suppose that such matters are usually considered by the Directors.

2766. Ought not they also to be considered by the Public, if the Public is to form an opinion as to the prudence of the Bank in its daily operations?—I should think in general they were hardly important enough to render it necessary that they should be considered by the Public; but they are matters usually well known.

2767. Are there any circumstances of sufficient importance to interfere materially in the regulation of the affairs of the Bank by the Directors, such as have been stated, which are known only to them, and not equally well known to the Public?—Certainly, I know of no circumstances of that class which are not equally known to that portion of the Public who pay attention to such matters.

2768. Then when you state that the Public may not be informed of some circumstances which may be known to the Bank Directors, do you allude to insignificant things, which can have but little effect in the management of the Bank's affairs?—I did not mean to state that matters of that kind were likely to be known to the Bank Directors and not known to the Public, because I should think they would be just as early known to the Public as to the Bank Directors.

2769. A parallel has been put to you between the case of an individual merchant and the case of the Bank of England, and it has been asked whether publicity of his affairs would not enable the merchant to manage his concerns better, in the same way that it would enable the Bank of England to manage their concerns; is there not this great difference between the Bank of England and any individual merchant, that whilst the individual merchant, if he misconducts his affairs, only ruins himself and some people perhaps who have trusted him, the Bank of England, by misconducting its affairs, may affect the property of every individual in the country?—Of course there is a very broad distinction of that kind.

2770. Therefore

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2770. Therefore although you do not admit perhaps the necessity of the Legislature enacting that the affairs of private individuals should be exposed to the Public, you would consider that the exposure of the affairs of the Bank was a price that they paid for the power they have of exercising a control over the currency of the country and over the whole property of every individual within it?—I consider the Bank of England as an institution established by the Legislature for the general advantage of the country, and of course that the Legislature ought to make such regulations for its proper government as would seem to them best calculated to produce a good effect.

2771. You stated that there would be two modes of control, under publicity, exercised over the Bank of England, insuring greater safety to the Public for the good management of its affairs; do not you consider that there is a considerable disadvantage arising to the Public frequently, from their ignorance of the state of the affairs of the Bank, and whether it be properly or improperly managed?—I think that occasionally inconvenience has arisen to the Public, from the ignorance prevailing as to the situation of the Bank and the motives of its actions.

2772. As a mercantile man, should you not say that to have been acquainted with the bad or the good management of the Bank at particular times, would have been of advantage to you in carrying on your concerns?—I should think not unfrequently a knowledge of the situation of the Bank, and of the rules and mode of its operation, would be very advantageous to a mercantile man. I am not sure that my own business would have suffered from my ignorance on this point.

2773. Do you not think that commercial speculations could be regulated with greater certainty if the parties engaging in them were acquainted with the state and management of the affairs of the Bank of England?—Of course that would depend upon the nature of their commercial speculations, but in many cases I should think so.

2774. Have you ever seen extremely erroneous statements made by the public Press, of the affairs of the Bank of England and its speculations?—Yes, I have seen a great deal of erroneous statement of facts, and a great deal of very bad reasoning upon those facts.

2775. Were not those statements, in your opinion, calculated to produce very considerable mischief?—Yes, I should say that they were.

2776. And to mislead commercial men entering on commercial speculations, either in London or the country?—I do not sufficiently call to recollection the particular cases, to be able to answer that.

2777. If such statements were made and credited, would they not produce a mischievous effect?—Under certain circumstances I should think they might; a correct knowledge of such matters is often important to commercial men.

2778. Would not, then, a correct knowledge of the state of the Bank, by means of publicity, be beneficial to the commercial interests of the country, and enable merchants and manufacturers to carry on their speculations with a greater certainty?—I should say so, certainly.

2779. Would it not remove one of the elements of uncertainty which enter into commercial speculation?—Yes, I think so, to a certain degree.

2780. Would not that effect, to a great degree, result from the confidence which would be inspired by a knowledge that the affairs of the Bank of England have been properly conducted, though even that knowledge were only brought up to a period of three or six months prior to the then time?—I should think so.

2781. So that supposing an objection existed to a publication of the Accounts of the Bank up to the period of publication, you think considerable advantage would arise from a knowledge of those Accounts down to some period, six months or twelve months antecedent?—I have already answered that question affirmatively.

2782. Whilst, then, it afforded an advantage to the Public, in enabling them better to regulate their commercial speculations, it would also in your opinion afford a great check, though not perhaps so perfect a check as immediate publication, upon the conduct of the Directors of the Bank of England?—Yes, I think it would afford a very considerable check.

2783. Supposing the Bank were to publish an Account of their liabilities, and of some other items, but not to give an account of their bullion, would such an Account enable the people to form any accurate estimate at all of the state of

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their affairs, or whether they were well or ill conducted?—Considering that even at present there are occasional estimates formed, which approach very nearly to correctness (I have seen such) I should say that you could hardly publish much without enabling an ingenious and inquisitive man to work out almost completely the situation of the Bank, and that is a difficulty of which the Committee should be fully aware. I believe it would be extremely difficult to publish any thing that should give information worth having, without divulging in point of fact every thing; it would not be easy to present to the Proprietors what might be considered a fair mercantile Account, in which any thing should be really concealed, especially as discussions in the Court of Proprietors would arise upon it. In my opinion, there is hardly a medium between the state of things in which we now are, and a complete exposure.

2784. If, then, under a partial publication of the affairs of the Bank, it were possible for ingenious men to discover what the real state of bullion in the Bank was, would it not be infinitely more advisable to tell the truth at once?—That is my opinion, certainly, although I am not blind to the possible danger, as I have already stated, under certain conceivable circumstances, which might arise from the publication of the amount of bullion.

2785. Supposing the other items of the affairs of the Bank were published, but that its amount of bullion was not published, and that the Public could not, by any such calculation as you have supposed, arrive at the true amount of bullion, might not most erroneous calculations be drawn of the amount of bullion and the state of affairs of the Bank from a mere knowledge of those other items?—The supposition can hardly be admitted as a representation of what could possibly occur; but I am inclined to think, as I have already stated to the Committee, that on the whole, balancing opposing inconveniences, it is best that the Public should know the real amount of bullion.

2786. Is it your opinion that the publication of the affairs of the Bank would enable the Public to form an accurate opinion of the good or bad management of the Bank?—I think it would enable them to form a better opinion than they could without that knowledge.

2787. In what manner would that knowledge assist that opinion?—The more completely a set of facts is known, the better will be the opinion formed of them.

2788. Might not the Bank, in the course of their transactions, either increase or diminish their discounts, purchase or sell exchequer bills, and do other things which they are in the practice of doing, upon which the Public must necessarily judge before they could form an opinion, and would the Public be enabled to form that judgment accurately without knowing all the circumstances which belong the case?—Of course, the better all the circumstances constituting the supposed case are known, the more perfect will be the judgment formed upon them.

2789. Might it not be the case, that if the Directors of the Bank were to be regulated by public opinion, that public opinion might occasion them to be guilty of a great error in the conduct of their affairs?—Certainly such a thing is possible; but it seems to me that when a given case is fully and fairly put to the Public, the chances of a right opinion being formed upon it very much over-balance the chances of a wrong opinion being formed.

2790. Is it your opinion that the Public are generally accurate in the opinion which they form in the first instance, or is not a right opinion generally the result of time?—That is so very wide and general a question that I hardly know what answer to give to it.

2791. If public opinion is to have any effect upon the Directors of the Bank of England, must not that effect be produced immediately, and not at a distant period of time?—It seems to me that it may be both immediate and prospective.

2792. The Bank of England being composed of 24 members, selected generally as being well acquainted with the subjects which they have to direct, is not that a body of itself of public opinion?—It is a portion of the Public, certainly.

2793. Is it not a portion of sufficient magnitude to inform the Bank as to what the public opinion would be as to particular parts of the conduct of their affairs?—Of course each member of the Bank Court may contribute his knowledge of what the public opinion may be; but it must be recollected that under the present system a Bank Director is very frequently unable to take the advice of those persons not belonging to his own body, on whose judgment he may otherwise place great reliance, from his inability to lay before those persons the facts

facts of the case on which his opinion is to be formed, and that seems to me, I confess, rather an important consideration.

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2794. May not the Bank Directors have an interest in direct contradiction to the interests of the Public?—If a case is put, I can answer; but I do not now perceive that they very well can have, except in any matter of bargain between the Bank and the Public, then of course there is an opposing interest.

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2795. You have drawn a very just distinction between a private mercantile establishment and the Bank of England, in this respect, that the Bank of England is an issuer of currency, and a private mercantile establishment is not; but is there any reason for publicity on the part of the Bank of England, which does not apply to those private Bankers who are issuers of currency also?—No, I think none, in point of principle.

2796. Then, according to that principle, every private Banker ought to publish periodically, an account of the whole of his transactions, including the amount of bullion which he holds?—I think, undoubtedly, that publicity should be extended to a certain degree to all issuers of paper whatever, and that much of the benefit which it is calculated to afford would be lost if it was not so extended, but I am not prepared to say precisely to what point that publicity ought to extend, as far as Country Bankers are concerned.

2797. Can public opinion operate with effect upon the transactions of private Bankers, unless the Public are made acquainted with the transactions of private Bankers?—There is a point at which the scrutiny into the affairs of individuals carrying on banking business might be extremely inconvenient, and where the particular inconvenience to themselves and to those connected with them might overbear the advantage of the Public's being acquainted with their transactions.

2798. Do not you think that there would be great inconvenience in compelling private Bankers to keep a large stock of gold in their coffers for the purpose of guarding against a possible run, and thus increasing the amount of dead weight of gold which they retained beyond what they required for the purpose of circulation?—There must of course, somewhere or other, be a sufficient stock of gold retained to meet the wants of the Country Bankers; my own private opinion is that the issues of Country Bankers ought not to be payable in gold at all, I think they should be payable only in the notes of the Bank of England, the great issuing body.

2799. Would it be possible for a private Banker to continue to conduct his business upon its present footing, if he was under the obligation of publishing weekly the actual amount of gold which he retained in his possession; would not his solvency be endangered by the operations of other rival establishments?—I have already stated that I think the notes of Country Banks should not be payable in gold at all; with regard to the effect upon the profits of private Bankers, of being compelled to keep a large stock of gold, I am not sufficiently acquainted with the way in which their business is conducted to be able to give an opinion, but I do not see how any inconvenience could arise to them from that circumstance, as far as their solvency goes, except from a diminution of profit.

2800. Would not a private Banker be placed in a most embarrassing situation if he published that his stock of gold did not amount to more than 2,000 *l.* and there was a Banker in his neighbourhood who possessed paper to the amount of 3,000 *l.*?—I have stated already that I have the greatest objection to the notes of private Bankers being made payable in gold at all, and I think that inconvenience would arise under the circumstances imagined.

2801. Supposing that matter to remain upon its present footing, and that the private Banker should be required to pay in gold, should you still advise the principle of publicity to be applied to private Banks?—To a great extent, but I am not prepared to say to what extent it would be desirable to apply that principle; I have no hesitation in saying that it is eminently desirable that the amount of their issues should be known, and that periodically; it would not be necessary that their circulation should be published so often as once a week.

2802. Why should not the amount of the means of meeting those issues be known also?—A case has been stated of possible inconvenience, and not having fully considered that case, I am not prepared to say how far publicity, as applied to private Bankers, ought to extend, I have no doubt whatever as to the issue.

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It will be recollected that I have advocated the propriety of taking security from all Banks of circulation, for the amount of their notes.

2803. Under a system on which public opinion is to have an effect on the conduct of the Directors of the Bank, what criterion would you use as to what the opinion of the Public was?—I think that question has already been put to me, and I can only say that the same mode should be adopted for the purpose of ascertaining the bearing of public opinion, as are used under other circumstances.

2804. Would you take it from the public newspapers?—That is one means of knowledge.

2805. You stated in a former part of your examination, that you doubted the propriety of the conduct of the Bank in their increased issues at a certain period of the year 1825; to what particular period do you refer?—I expressed a very hesitating opinion; I rather think it applied to January 1825.

2806. Through what channel did that issue take place?—I believe from the advances on exchequer bills to pay the dissentient holders of 4 per cents.

2807. Was not that in consequence of a bargain which had been previously made?—I think it had been made early in 1824.

2808. Then if that was the case, there was no imprudence upon the part of the Bank in 1825, that could have been avoided?—No, I gave a very hesitating opinion upon it, and merely stated that I thought it would have been desirable if the increase in the circulation at that time could have been avoided.

2809. Do you remember the amount of discounts in January 1826, or in the end of 1825; were they not sixteen millions?—I think in December 1825 or January 1826, the discounts of the Bank rose to about fifteen millions.

2810. Do you remember any thing of the foreign loans raised in London in 1824 and 1825?—I could not state the amount from recollection.

2811. What was the effect upon the Bank of England, of raising very large sums for foreigners, in those two years?—I can hardly say particularly; of course the effect of a foreign loan must be to create a great demand for foreign bills.

2812. It appears that in the year 1824, the whole amount of foreign loans raised in London, for European Powers, and for the American States, amounted to 14,300,000 *l.*; do not you think those loans had the effect of draining the coffers of the Bank?—Of course they had the effect, in the first instance, of creating a great demand for bills drawn from England, and ultimately a demand for treasure to a certain extent.

2813. In the following year 1825, the amount of those loans was fifteen millions, would not the same effect follow in that year?—They must have had that tendency.

2814. Had the Bank of England any power at all, in any way, of preventing individuals from entering into those transactions?—Certainly not.

2815. Do not you think that the extraordinary ruin and panic which marked the year 1825, arose from the utter failure of some of those foreign loans?—Of course that was one element of loss.

2816. And a very large one, do not you think?—I should suppose so, but have no means of judging of its extent.

2817. Are you not of opinion that all that wild speculation about foreign loans, and about a great many other adventures of various sorts, was one principal cause of the Panic which ensued in the autumn of 1825?—I think they were one symptom of the mental malady that prevailed at that time, and of course, as they were generally very unfortunate speculations, they must have contributed in a considerable degree to the disasters of that period.

2818. Could the Bank of England by any operation of its own have prevented individuals from entering into those speculations?—I am not aware how they could.

2819. You are aware of the changes which have taken place in the amount of the capital of the Bank; namely, that beginning with its Charter, to have a capital of 1,200,000 *l.*; it has now at the present moment a capital of upwards of fourteen millions?—I have of course seen a statement of the changes in the capital of the Bank from time to time, I mean the capital lent to Government.

2820. The capital of the Bank is of course of no use to the Bank, otherwise than in as far as it gives security to the Public for its solvency?—I am not aware that it is of any other use, but I think that a most important use.

2821. The

2821. The real capital of the Bank, then, consists merely in what is called its rest?—Certainly, the working capital is merely the rest; but there is also dead stock to a considerable extent.

2822. And all the other funds employed by the Bank are funds belonging to others, which it holds under different heads of deposit, and paper issue?—Yes.

2823. Variations having taken place at different times in the amount of the capital of the Bank, will you state what amount of capital you would think proper for the Bank permanently, whether you think the present amount of 14 millions and a half, or whether you think a larger or a smaller sum is the proper capital for the Bank permanently to have?—I can form no accurate judgment upon that point; I think the capital of the Bank should be large enough to render the notion of insolvency absurd, except the whole fabric of national credit gave way, and I am not able to say whether fourteen millions is more than enough for that purpose.

2824. You do not think that the credit of the Bank is greater now than it was when its capital was three or four millions less?—I am hardly able to form an opinion; it has never been less since I paid much attention to such matters.

2825. Should you think if the capital of the Bank were maintained at eight or ten millions, that would be sufficient, in public estimation, to establish its perfect credit for solvency?—It might be so, yet I should be sorry upon the whole to see the capital of the Bank much diminished; no inconvenience appears to be felt from its present amount.

George Carr Glyn, Esq. called in; and Examined.

2826. YOU are a Banker in London?—I am.

2827. Will you state whether, in your opinion, the exclusive privileges of the Bank of England are injurious or advantageous to the Bankers in London?—In my opinion, decidedly advantageous.

2828. Will you state upon what ground you consider them advantageous?—I consider that the existence of more than one Bank of issue would expose the commercial world to very great fluctuations, and the Bankers in particular to very great inconvenience in their details of business.

2829. In what manner would it expose you to great inconvenience in your details of business?—Supposing there were three or four Banks of issue in existence at the same time, carrying on business in London, it would be necessary for the private Banker to retain in reserve notes belonging to each of those several Banks; it is quite clear that if any one presenting a check comes to the counter and demands payment in any note that he chooses, we must find that note for him, or gold; therefore it follows as a matter of course that we must keep by us probably three or four times the amount that we do at present, or a very large amount in gold.

2830. Is that the only inconvenience you foresee in the details of your business?—I conceive it would produce such great inconvenience to the private banking business altogether, and that it would diminish their deposits so much, that the private Bankers would be deprived in a great measure of their power of supplying a portion of the trade in London, which in fact at present entirely depends upon them for the necessary accommodation; I allude particularly to the second rate class of traders, who frequently have recourse to the private Bankers for that assistance which no public body could afford them; a public body would not have those means of inquiring into their resources, and they would not have that access to them which private Bankers have, and which enables us to judge as to the propriety of trusting them or not.

2831. How would it operate to prevent you from giving the accommodation you now give to traders?—By lessening our deposits; the private Bankers, in fact, trust only to their deposits for the accommodation they are enabled to give, and the existence of different Joint Stock Banks would of course interfere so materially with our deposits, as to prevent our giving that accommodation to which I before alluded.

2832. Then the mode in which the Joint Stock Banks would diminish your deposits, would be by a portion of them being withdrawn from you and placed in their hands?—Clearly.

2833. Might not the deposits be now withdrawn, and placed in the hands of

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the Bank of England?—Certainly; but the evil would be of course very much augmented if the number of bodies of that description was increased.

2834. On what grounds is it that persons prefer placing their deposits in the hands of the Bank of England, rather than in the hands of the private Bankers?—I suppose it must be upon the ground of fancied better security.

2835. Do you suppose that the circumstance of there being two or three Banks of the same description as the Bank of England, would induce more people to think that the security of the private Bankers was not amply sufficient?—No; but the subscribers to those banks would, as a matter of course, withdraw their deposits and their business from the private Banks.

2836. Do you think that the effect of large Joint Stock Companies in London would be such as to prevent the private Bankers continuing to conduct their business in the present mode?—Decidedly, with very many of them.

2837. Do not you think that every Banker in London, without exception, would be affected by it?—Every private Banker would decidedly be affected.

2838. You have stated that the private Bankers are able to give an accommodation to the Public which a large Company could not give; would not that circumstance enable the private Bankers to continue their business?—They might continue their business in a degree; but certainly, as regards that particular branch of business, (and a very important one it is in London) they would be deprived of the power of doing that which they do now.

2839. Have you considered in what way the establishment of competition among Banks of issue in London would affect the value of property and the amount of the circulating medium?—I have not considered it as affecting the value of property; but as affecting the circulating medium, I think it would expose it to very great fluctuations, sometimes by increase, and then by sudden reduction.

2840. Would not those fluctuations affect the value of property?—Certainly.

2841. On what grounds do you think that that competition would produce great fluctuations in the amount of the circulating medium?—The natural inclination of all Banking Companies who are seeking profit for their proprietors, must be to extend their issues.

2842. Is it not the interest of a Banking Company, in extending its issues, to take into its consideration the danger of the notes coming back upon them, and producing, by reaction, a considerable loss?—They ought to do it.

2843. Do you not think that their feeling of what they ought to do, would be a check upon their extending their issues improperly?—A very doubtful check, I am afraid, and one which I should be very sorry, in practice, to rely only upon.

2844. As long as there is but one bank, there would be a certainty that any over-issue must come back upon that Bank; but if there was more than one Bank, would not there be a scramble upon the part of the various Banks, and would they not issue their paper under an expectation that the return of paper generally, if there was an over-issue, might come upon their competitors and not upon themselves?—Certainly, they would expect that it would come back more upon their competitors than upon themselves.

2845. Supposing there were two, three, or four, or perhaps more, large Banking establishments in London, are you not apprehensive that the scramble for profit between them would prevent that due regulation of their general issues which is essential for the safety of the circulation?—I am decidedly apprehensive of that.

2846. In what manner would six or seven Banks issuing in London, differ from six or seven Banks issuing in Birmingham?—We must always consider London as the great centre to which all the money transactions of the empire point, and likewise the place upon which all the Foreign Exchanges operate, and where the first fluctuations of expansion or contraction must always take place.

2847. Do you conceive that, either in London or elsewhere, it is possible to keep out for any time a quantity of paper greater than the transactions of the country require?—For a certain time it may be done; ultimately, it will re-act and right itself.

2848. It being in the power of rival Banks, such as the Joint Stock Companies that have been mentioned, to exchange their notes, as they probably would do every day, would not any increase of their paper come upon them immediately

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diately for payment in gold?—The mere balance between the two Banks would come in that way, but that would scarcely operate to reduce the general circulation to a proper level.

2849. Are you not aware, from your connexion with Country Banks, that that is the invariable effect in large towns where there are several Banks, that an over issue on the part of one of those Banks immediately produces calls for payment from the other Bank who possesses its notes?—It calls for exchange in London of a portion of the circulation that may be out, but it does not follow that it draws from the neighbourhood in which the circulation has taken place all that is necessary to bring the circulation to a proper level.

2850. Does the Banker pay the amount of his exchange in London without having his own notes returned into his coffers?—Perhaps that is a question which I am not fully capable of answering; I believe that the exchange between the Bankers is paid in London.

2851. Is not the ground of that exchange the payment of the notes into the Banker's hands?—I do not know whether it is solely confined to that.

2852. You object to the competition between Joint Stock Companies to be established in London and the private Bankers; are you aware that Joint Stock Banks have been established in the country?—Yes, but I do not think them calculated for London and its trade.

2853. Did they not come into competition with the private Banks already established there?—In some places.

2854. Does it not naturally follow that the persons who are partners in those Banking establishments will be induced to deposit their money in the Banks from which they derive profit, instead of depositing in other Banks from which they derive none?—Clearly.

2855. Then the same competition is now going on in the country towns, which you deprecate in London?—Yes.

2856. Upon what grounds do you suppose that if there were four or five Joint Stock Banks in London, you would be called upon to issue a note of any one particular firm with whom you did not choose to bank yourself?—It would be in the power of any holder of a draft upon us to present it at the counter, and demand from us payment as he chose.

2857. Could he demand payment of you otherwise than in gold?—To make a legal demand, I suppose he could not; but perhaps I ought to explain that the Bankers' business is of such a nature that they cannot refuse, to those that come with demands upon them, any facility required, and this would be one of those which competition would force upon us.

2858. Supposing you continued your account with the Bank of England, should you have any difficulty in telling your customer that you kept no other notes except those of the Bank of England, or gold, and that he must take his option?—I think it is an answer which would not be received, by any person favouring another banking company, very willingly; and if we were to keep cash by us to make the payments in gold of every check for which other notes than those of the Bank of England might be demanded, it would be extremely inconvenient.

2859. In the business of your house, if you were to pay in gold, could you conclude the transactions of your house within the 24 hours?—I doubt it very much, on Saturdays I am confident we could not.

2860. Would it not in point of fact be utterly and totally impossible to carry on the commercial affairs of the City of London, if payment in gold were required?—If I may offer an opinion, I should certainly say it would be so.

2861. Your house is connected extensively with Country Banks?—We are.

2862. You are aware that most of the Country Banks, and the Banks in Scotland, allow interests upon deposits?—They do.

2863. How comes it, that in the City of London, where there is so much greater facility for the employment of money than there is in the country, the system of Banks allowing interest upon deposits has never taken place?—It has been tried, and I believe I may add that the houses that adopted it have invariably failed.

2864. When, and by whom, has it been tried?—Mainwaring's house, I recollect; I think they failed in the year 1812, or earlier.

2865. Can you state to the Committee any reason why a practice that is so common in the country, and which is consistent with so much solidity in the

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Country Banking Establishments, should not be practicable in the City of London?—I ought to observe that there is a commission charged upon the other side of the account, in the country, when interest is allowed, which is never done in London.

2866. Are there not many of the Country Banks that allow interest, that do not charge commission upon the cheques?—I think, only upon deposits for a long period; I believe that on a common current account in the country, it is very seldom the practice to allow interest, except the money is deposited with them for a stipulated period, and that a long one.

2867. Generally speaking, does not the interest allowed, exceed considerably the charge of commission upon the cheque?—I am not aware that it does.

2868. Can you state to the Committee generally, any reason why that practice, which is so prevalent in the country, should not have been successful in London?—I can give no other reason than that it has been tried, and has failed.

2869. Are you aware that the Scotch Banks allow interest upon deposits upon this condition only, that 21 days' notice shall be given of their being drawn out?—I am not aware that it is the general practice, but I know that in some of the large Banks they do.

2870. In what shape does the London Banker hold his current funds; does he hold it in the shape of Bank of England paper, or in the shape of deposits with the Bank of England? He holds it in both ways; he holds a portion necessarily always at home, in Bank of England paper, and a small portion in gold; but it is our custom, and I believe it is so likewise now with nearly every Banking house, to keep also a large deposit in the Bank of England.

2871-2. Has not the modern practice of Banking rather tended to decrease the amount held in Bank of England notes, and to increase the amount held in deposits in the Bank?—I am not quite prepared to answer that question; as far as regards our own experience, I should say decidedly we do not hold less at home in consequence of having an account at the Bank of England.

2873. Can you state what proportion of the amount which you hold in reserve, you keep in deposits at the Bank of England, and what proportion you hold in Bank of England notes?—There is no fixed proportion; our first object has been always to have a certain proportion in the house, and if we find we have not about the proportion that we think there ought to be, we draw upon our account at the Bank of England.

2874. Do you think that more than one-half of what you hold in reserve is deposited at the Bank?—Perhaps not so much, but that varies very much.

2875. Do not the balances in your hands amount occasionally to very large sums, and are they not withdrawn without any notice to you, and is it not therefore your duty to be prepared to answer all those demands?—Certainly.

2876. And you can never tell what your balance three days hence will be, it depending entirely upon the state of your deposits?—Clearly it depends upon a fluctuating daily deposit.

2877. Do you not in fact consider what you have at the Bank, as so many Bank notes in your drawer?—Yes.

2878. Is your intercourse with the Bank almost daily?—Hourly, I may say.

2879. Do you find any facilities afforded in your transactions with the Bank?—Every facility.

2880. Do you believe it to be the general practice of the London Bankers to keep a great proportion of their unemployed monies at the Bank of England?—I believe it is nearly a general practice.

2881. You have expressed in general terms your approval of the present system under which the Bank is conducted, so far as it is connected with the private Bankers; have you found the Bank operate as a rival establishment to private Bankers?—I think latterly there has been more disposition than there was some years ago to put itself forward as a rival establishment to private Bankers.

2882. In what respect?—They certainly have afforded greater facilities to private customers, I mean so far as opening accounts goes, which they did not do before.

2883. Do not you conceive that if a Joint Stock Banking Company, or if another chartered Bank was to be established, that Bank might adopt the principle of the private Bankers, which would materially affect the profits and interests of private Bankers?—In some degree they might; but I think it is quite

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quite impossible that they could ever carry on business in the same way as the private Bankers do now; you never can get that done by a secretary or a board of directors, which you can have done by six individuals in partnership.

2884. Do not you apprehend that if a Joint Stock Banking Company was established, those who were concerned in framing that company would endeavour to bring into connexion with it the leading commercial men in the city and the leading capitalists?—Probably they would.

2885. Would that materially affect your profits?—It certainly would; it would take from our deposits very largely.

2886. Would not such a state of things disable you from affording that accommodation which you have been in the habit of affording, and which has been a great advantage to the second and third class of traders?—Decidedly.

2887. Can you give the Committee any idea of what proportion the advances a private Banker makes to his customer, bears to the gross amount of his deposits?—Our object is to employ as much money as we can amongst our customers.

2888. Is it not generally a small proportion that you employ in that way, as compared with the gross amount of deposits?—No, a much larger proportion is employed in bills of exchange and notes than in public securities.

2889. Can you state what proportion they bear to the total amount of deposits?—These advances to customers fluctuate so much at different times, that it is impossible to say; they are a small proportion, compared with the total amount, but they are large in themselves; and supposing we were deprived of the deposits we now have, it would not be prudent to continue the same amount of advances on promissory notes that we do now.

2890-1. You are speaking of loans to your customers for short periods?—Yes.

2892. Do not you consider that a private London Banker, who is a Banker for commercial houses in the City, is very differently situated from a Banker at the West end of the town, who has the accounts of country gentlemen and individuals out of trade?—I should conceive it is a totally different sort of business; and I should say that our reserved deposit was necessarily a much larger one than the deposit at the West end of the town Banker.

2893. You cannot rely upon the use of money deposited with you to the same extent that the Bankers at the West end of the town may?—Certainly not.

2894. It has been suggested that merchants and bankers are very much under the influence of the Bank of England, and it has been suggested that they would not be the best evidence upon any question relative to the Bank; do you feel the slightest dependence upon the Bank of England?—Not the slightest; nor do we feel ourselves under the least obligation to it, in any way.

2895. You respect them as a National Establishment, but otherwise do you care a farthing about them?—Speaking for the London Bankers generally, we rather consider ourselves the very best customer, except Government, which the Bank of England has.

2896. Do you believe there would be any difficulty in finding men sufficiently independent of the Bank of England, who, if they really entertain unfavourable opinions of the Bank of England, would be willing to come forward and express those sentiments?—Decidedly not.

2897. Are you aware that a considerable reduction in notes of the Bank of England took place in the year 1831?—Yes.

2898. Do you think that during that period there was a general reduction in the balance of Country Banks in their funds kept in London?—As far as our experience goes, I should say there was decidedly; in the early part of 1831 the cash deposits of Country Bankers in our hands were high, but towards the close of the year they became very small, comparatively.

2899. Do not you think that that arose from the reduction of their circulation?—That was one great cause.

2900. Was there considerable inconvenience felt in London during that period of the year 1831?—I do not remember any particular inconvenience at that period.

2901. What should you consider to be the present state of the commerce and trade of London; is it flourishing?—There is a great deal of depression among the second class of traders in London; great complaints of stagnation amongst shopkeepers.

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2902. Does that extend to the merchants in London generally?—There is a deficiency of profit among the higher class of merchants.

2903. Would you combine that with distress among the weaker merchants?—I think that has very much subsided within the last six months.

2904. Does the state of depression you have mentioned, apply to shopkeepers generally?—Yes, arising from a want of returns and business.

2905. Has that depression at all subsided?—No, I think not.

2906. You have had occasion to look into the affairs of some Bankrupts in the course of your business; in looking through those affairs, did it not generally appear to you that the Bankrupt ought to have failed some six or seven years before, and that he had been supported by a fictitious system of credit, and had been going on upon nothing for a long time?—That has occurred very often.

2907. Do you feel any inconvenience occasionally in your business from considerable fluctuations between a scarcity and a plenty of money in London?—Yes, but not to the degree we did some years ago; I should attribute that very much to the course which has been taken by the Bank lately, for the purpose of keeping the quantity of notes out as nearly equal as they can during the year; of course it is subject to fluctuations from the Exchanges, but at the end of the quarter, which is the period when the Banker used to feel the greatest pressure upon their deposits, the evil is now remedied by a regulation of the Bank, allowing any person to take money on securities for from ten days to six weeks, to be repaid when the dividends come out.

2908. With that exception, do you find the fluctuations as extensive as heretofore?—I do not think they are.

2909. Are they still materially inconvenient to the Bankers in London?—I think very much less than they were some years ago.

2910. At times, do you find a difficulty in employing your money?—We are obliged to employ it at a very low rate of interest occasionally.

2911. Do you find occasionally a sudden demand in the midst of such a period?—There may have been one or two instances of that, but I do not think there are many.

2912. Is it in your experience a subject of common complaint, that great variations in the scarcity or plenty of money in the London market are experienced?—The variations alluded to, are sometimes felt in one class of merchants and traders in London and not in others; I am not aware of there having been any great general pressure in the money market in London for some time past, although we have had complaints in different portions of it.

2913. The question refers to complaints among the Money Dealers, of a great plenty of money at one period, immediately followed by a scarcity; are not complaints common among the large dealers in money in London, upon that subject?—I do not remember any at this moment, there may have been complaints of it, but it is not a complaint that we should have made ourselves.

2914. Has the rate of discount varied much within the last twelve months?—Not very materially; it has fluctuated occasionally, but it has soon got back to a particular position again, and that is three to three and a half per cent.

2915. Has it not fluctuated from two to four per cent?—In some cases it may have been two and a half per cent, but the average has been three to three and a half, and it has fairly kept at that rate, but the extremes have been from two and a half to four.

2916. Does not it very often happen, that a bill, for example, which has a long period to run before it becomes due, is discounted at a higher rate than a very short bill?—The average rate of discount may be three per cent or three and a half, but a bill of 12 or 18 months may be done at five.

2917. There are several of your customers concerned in foreign trade?—Yes.

2918. Did you ever hear any of them say what the fluctuations in the interest of money were at Hamburgh and Amsterdam?—I cannot quote the figures, but much greater than the fluctuations that were alluded to just now.

2919. Have you ever heard that the interest of money at Hamburgh frequently goes up to six, seven or eight per cent, and falls down again to two or three very suddenly?—Yes, it has been recently as high as that.

2920. Do not you consider that, upon the whole, the rate of interest has kept as steadily in London as is consistent with the nature of commercial transactions any where?—Yes, extraordinarily steady.

2921. Are

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2921. Are you connected with many Country Banks who issue notes payable in London?—Yes.

2922. Can you state the fluctuations that have taken place during the last 18 months, from a general view of the amount of notes you have paid?—No, I am not prepared to answer that question; I could speak more as to the deposits of the Country Bankers.

2923. Generally speaking, have you paid more notes within the last four months than you did in the corresponding period of 1831?—I am not prepared to answer the question.

2924. Have you formed any general idea, from the payment of notes, whether the amount of issues of the Country Bankers, in the present year 1832, has been less than in the year 1831?—I should think not less than the latter part of 1831, but I have not compared them.

2925. Then no great decrease of issue of Country Bankers has been brought to your notice in consequence of paying a smaller sum?—No.

2926. Is it not the custom in your establishment rarely to refuse to discount a good bill for any respectable customer who applies to you, notwithstanding those fluctuations?—I recollect no instance of our having refused a tolerably good bill during any fluctuations, from a respectable customer.

2927. Therefore those fluctuations operate little or nothing upon your general accommodation?—Very little indeed.

2928. Has there been any want of discount upon good bills, for the last four years in London?—I am not aware that there has.

2929. What is the rate of discount to your customers?—Private Bankers are regulated by the rate of the Bank of England, that is four per cent.

2930. When a period of great plenty of money exists in London, and discount can be obtained in the market at two and a half per cent., are not less discounts offered to you?—Yes.

2931. And when money becomes scarce, your customers apply to you for more discounts?—Yes.

2932. And your habit has always been, to discount for a fixed rate the bills brought to you?—Yes, with occasional exceptions.

2933. When money is plentiful, if a man you know well, although not a customer, brings you desirable paper, do not you frequently discount that paper at rather a low rate?—Generally at the market rate.

2934. In your intercourse with the Country Bankers, is it the general practice for the London Bankers to allow them interest upon their deposits?—Now it is scarcely ever the custom to allow interest upon the money of the Country Bankers in the hands of the town agent; during the time of the War it was done to a large extent, but not now.

2935. In what manner do you employ for the Country Banker the funds he deposits with you?—Generally they seek their own employment for it; and it is almost invariably employed either in Government securities, or through a bill broker.

2936. Does the Country Banker effect that employment of his funds through you?—No, he does it directly with the bill broker.

2937. Then he gives that bill broker a credit with his London Banker for any surplus funds he may have?—Yes.

2938. Does it not sometimes occur that a respectable trader, one of your customers, wants to overdraw his account 200*l.* or 300*l.*?—Yes, frequently.

2939. Do not you give him that sort of accommodation merely upon the opinion you have of his good character?—Yes.

2940. Do you imagine that such an advance would be very common with any large Company?—I should conceive not.

2941. Is it the custom of the Bank of England?—Never.

2942. Does it not almost happen daily that a customer of property and respectability, without the least notice, comes to you, and says, Put 5,000*l.* or 10,000*l.* to my account?—Yes.

2943. And you must always be prepared to meet that demand?—Yes.

2944. Could arrangements of that sort be easily effected with a large public establishment?—Certainly not, I should conceive, nor with the secrecy they frequently require.

2945. Would the Bank of England do any thing of the kind?—I should consider not.

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2946. Supposing a large Joint Stock Company to be established in London upon the same principles as the Bank of England, would it, in your opinion, have any effect upon the market price of gold, in as far as it might increase the demand for that article?—It would in some degree.

2947. Would not five Joint Stock Banks require a greater deposit of gold than one Joint Stock Bank, the liability of the five and the one being equal?—Decidedly.

2948. You recollect the events of the year 1825?—I do.

2949. Do you remember the price of stock for money early in the month of December, and the price at the next account, which was about a three weeks account?—I do not recollect the figures, but I recollect a fact that occurred, namely, that funded property, for one day, was not saleable for Bank notes.

2950. Do not you remember that Consols were $75\frac{1}{2}$ for money, and about $80\frac{1}{2}$ for the account, which account day was within 25 days of the day mentioned; is it not true that those Bankers who were compelled to raise money by selling stock for money, and buying the same stock for the account, borrowed money at the rate of 72 per cent?—I believe that to be the fact.

2951. What was your opinion of the conduct of the Bank Directors during the Panic of 1825?—I think that the commercial Public were exceedingly indebted to them at that time; I think they rendered every assistance in their power during the time that Panic was prevailing.

2952. What period do you allude to?—I mean just at the period of the Panic.

2953. But previous to that time?—They were not called upon to render that assistance before.

2954. In the year 1825, do you think that greater facilities would have been afforded to the commercial world if the Usury Laws had not existed?—I think possibly there might.

2955. Do you see any objection to their repeal?—Decidedly not.

Martis, 3^o die Julii, 1832.

THE RIGHT HON. LORD VISCOUNT ALTHORP, IN THE CHAIR.

George Carr Glyn, Esq. called in; and further Examined.

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2956. UPON the occasion of the renewal of the Charter of the Bank of England, supposing Parliament shall renew it, can you, from your experience, suggest any alteration or modifications of the system of banking, under the Bank of England, as it at present exists?—I am not prepared to offer any modification as far as regards the London business, conceiving that the Bank of England, as a bank of issue, in connexion with the private Bankers as banks of supply to the trade of London, forms a system which could not easily be improved. With regard to the country business, there are two points which I think might perhaps be modified; the first is the prevention which is now exercised by the Bank against the Joint Stock Banks making their notes or bills under 50*l.* payable in London; the second is the line of sixty-five miles which has been drawn round London, preventing the establishment of any Joint Stock Banks within that district; perhaps twenty or twenty-five miles might be sufficient to give the Bank of England the circulation of London completely, without interfering unnecessarily with other establishments.

2957. Do you conceive that by the conduct of the Bank of England, as far as you are able to ascertain, any great fluctuations have been produced in the value of money?—In the last three or four years I do not think there have been.

2958. The question refers to the time since the Bank Restriction was taken away in 1819?—These fluctuations have occurred occasionally.

2959. Do you consider that those fluctuations have been occasioned by any want of discretion in the management of the affairs of the Bank?—There has been occasionally an anxiety to increase the issues of Bank notes, which probably may have promoted those fluctuations, with a corresponding desire existing on the part of the Country Bankers at the same time.

2960. Do you believe that the issues of the Country Bankers are increased
always

always when the issues of the Bank of England are increased?—Not by any means necessarily; very often it acts in the other way.

2961. From your observation, should you say that when the Bank of England have been endeavouring to contract their issues, the Country Bankers have increased theirs?—I am afraid that my evidence upon that point must be imperfect, because it only arises from what I have seen in London; but I should say that about the middle of 1825, there certainly was a tendency to increase their issues upon the part of the Country Banks, when the Bank was trying to decrease its circulation.

2962. Would the knowledge that the Bank of England were trying to decrease their circulation, have any effect upon the conduct of the Country Bankers?—I do not think they regulate their operation by any expectation of what the Bank of England is about to do, or with any reference to the Exchanges which operate upon the Bank, they depend necessarily very much upon the demand in the part of the country where the Banks are situated.

2963. At present the conduct of the Bank of England is entirely under the control of the Directors; do you think that it would be advisable in any way to put a check upon the entire discretion of the Directors?—I am not prepared to answer that question; it is one to which I have never turned my attention any further than to the consideration that the publication of the Accounts might serve as a check; but that has always appeared to me to be a matter of great difficulty, connected as they are with the bullion held by the Bank of England.

2964. What Accounts do you think could be published with safety by the Bank of England?—All the Accounts of profit and loss, if they can be disconnected from the bullion Accounts; but I am not prepared to say more upon that division of them, because I am not aware how they are kept.

2965. Do you think that the publication of the amount of their bullion could be safely made?—I confess it is a subject upon which I should entertain considerable apprehension.

2966. Do you think that if the Bank published an Account of the bullion in their hands six months previous to the period of publication, any danger would arise from that?—That would be some diminution of the risk, certainly; but I am not at all sure whether, even with that precaution, it would not have a tendency to create speculation upon a knowledge of the fact.

2967. Do you apprehend that the general knowledge of the Bankers in London does not lead them to make a tolerable estimate of whether the Bank is well supplied with bullion, or not, at the time?—I think the Bankers have an opportunity of making a tolerably correct estimate of the facts; but I think it is confined very much to the Bankers.

2968. Do you think the knowledge of what amount of bullion the Bank had six months previous, would increase, to the Bankers and persons concerned in the dealing of money, very considerably their accurate knowledge of the amount of bullion at any particular period?—I do not think this is so much the question to which the Bankers in London turn their attention, as to the immediate operation of the Exchanges; for, although the Bankers are not directly affected by the Exchanges, there has been, of late years, an inclination upon the part of the private Bankers to regulate their operations as far as they can by the Exchanges, knowing that they must eventually affect the amount of Bank notes in circulation.

2969. Would you then, upon the whole, prefer that the Bank of England should act without any more control than there is now upon the direction, or would you endeavour to put some further control upon it?—I am not aware of the mode in which further control can be put upon it.

2970. May not there be demands upon the Bank of England for gold, without any consideration of the rates of Exchange?—Certainly; political causes alone might create a demand for gold.

2971. For foreign purposes?—Clearly, during the negotiation of foreign loans.

2972. You were asked on a former day, if you could state the comparative amount of notes which you paid during the first six months of last year, and the same period of this year?—I am prepared to say that during the six months of this year, compared with the six months of 1831, there has been a considerable diminution in the amount of country notes paid by us in London; I should say it is full one-eighth less.

2973. To what do you attribute that?—There has been a great slackness in

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trade all over the country ; there has been less demand for money than there was in the former period, and there has been less currency in the country, as there has also been in London.

2974. You have stated, that now and then you think there has been an over anxiety on the part of the Bank to extend their issues ; can you suggest to the Committee any altered state of the banking system, as regards the Bank of England, or any check that could without inconvenience be put upon the direction of the Bank of England, which would be likely practically to obviate those occasional excesses ?—It seems to me almost impossible to put any check upon the direction ; it is a point which must be left to the discretion of the Directors. I do not conceive that there could be any superintendence of the Directors without such a daily interference with their transactions as would render it almost impracticable to carry on business.

2975. You do not think any number of Chartered Banks, issuing paper in London, would be likely to make their issues more judiciously or more temperately ?—No, I am not inclined to think that adding to the number would lessen the evil ; probably the contrary.

2976. Have you had occasion to observe that there has been an over anxiety occasionally on the part of the Bank, to diminish their issues ?—No ; there has been a proper anxiety very often manifested, and a necessary caution exercised to keep down their issues at certain times, according to the fluctuations of the Exchange.

2977. What has been the effect ?—It has caused occasionally a temporary pressure upon the money market ; but within late years I do not recollect any particular evil that has been produced by the diminution of their notes.

2978. Has that pressure upon the money market been accompanied by lowering the prices of commodities ?—I cannot remember any particular instance in which the diminution has brought about at the time any lowering of prices ; the general effect may have been subsequently to lower prices, but probably other causes have acted with it to produce that effect.

2979. Then the circumstance of a diminution of issues on the part of the Bank of England not operating immediately upon the price of commodities, would have produced no immediate effect upon the Exchanges ?—Except that of rendering money more scarce in London, which of itself always has an effect upon the Exchanges, without immediately acting upon commodities.

2980. How does scarcity operate upon the Exchanges ?—It is done by anticipation of its effect upon prices ; it is not the actual fact that a certain large amount of Bank notes is taken out of the money market on any particular day, but it is the expectation on the minds of people, that from the course of the Exchanges a diminution of the currency and a reduction of prices will eventually follow, which prevents orders from going abroad ; the effect is not produced by any immediate operation upon the price of commodities, but rather by the anticipation of the probable consequences.

2981. With reference to that anxiety on the part of the Bank, to which you have referred, to increase their issues, how does it appear ?—I should more particularly allude to the transactions in 1824 and 1825.

2982. Through what channel did they make the issues to which you object ; do you mean that they discounted bills too largely ?—I did not allude to that ; the probability is, that the Bank did not discount bills to any large amount, but the Directors issued their notes upon mortgage, and to Government through the Dead Weight ; but the probability is, that their actual discount of bills at that time was rather less than usual, as it follows that the more plentiful money is made, the more will bills get into private hands.

2983. Do you find that an advance to Government always has the effect of increasing the amount of Bank notes in circulation to the extent of that advance ?—Not always to the same extent.

2984. Is it not so, unless in some other mode a contraction takes place ?—That system of contraction has been much more acted upon in the last three years than it was previously, by endeavouring to provide the means of contraction against the advance and issues which the Bank may find it necessary to make to the Government. I particularly allude to the advance which is made at the time of the payment of the dividends ; the Bank have lately always endeavoured to get its notes out as far as they prudently could towards the close of the quarter,
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by advance on loans repayable at the period when the money for the dividends is paid to the Public.

2985. Has not some inconvenience been generally felt from the large sum required for the payment of the dividends at four periods in the year?—I am not aware of any inconvenience; it has rendered money cheap at the time.

2986. Do you think that any practical convenience would arise from an arrangement, by which a portion of the Public Stocks should have the dividends upon them payable at other periods intermediate between the 5th January and the 5th of April?—Such an arrangement would do that in a more direct way, which is now done by the Bank by the plan before named, and therefore I should think it would be a convenient system.

2987. In your experience as a Banker, alluding to the period before the Bank made this late regulation, had not your house sometimes before the quarter-day been obliged to make sacrifices in order to raise money?—Very frequently.

2988. Now that necessity is entirely done away?—Entirely.

2989. And the Bankers are enabled to be as liberal a fortnight before quarter-day as at any other time?—Just in the same degree.

2990. It is therefore a regulation highly beneficial to the Public?—It is most beneficial.

2991. Do not the Bank by those means relieve those persons who otherwise would call upon the private Bankers for assistance?—Yes, in part. They likewise, by relieving the circulation, generally enable the private Bankers to do that with ease which they would otherwise have to do for their customers at the cost probably of raising money at a high rate of interest.

2992. You have said that the system of the Bank, and of banking generally, does not require any very material alteration; do you conceive that we are at any time safe from a recurrence of the events of 1825, when it is notorious that the Bank was very nearly drained of cash?—I am not aware of the possibility of framing any check upon the management of the Bank, so as to prevent altogether the chance of its recurrence; much must always depend upon the management of the Bank, as must be the case with any other public bodies in whose hands the government of the circulation remains.

2993. That is a danger you think necessarily incident to the system of banking?—Yes.

2994. You mentioned, that if there were a number of Chartered Banks in addition to, or in substitution for, the Bank of England, you would be obliged to keep the notes of each of those Banks?—I stated that as a great probable inconvenience.

2995. You are aware that the Bank of England has, in virtue of the Act of 1816, the privilege of having its notes received in revenue?—Yes, I am.

2996. Supposing that the other Chartered Banks contemplated had the same privilege, in consequence of a similar act of lending capital to Government; do you conceive that ill effect you apprehend from having a variety of notes circulating in London, with every sort of which you must provide yourselves, would be in any degree obviated?—Decidedly not; it would not give us any security against the caprice of persons who might claim payment in such notes, because we had a right of paying them away to Government.

2997. Do not you apprehend that such a note would be taken by any person?—It might be taken, but it would be entirely optional.

2998. Supposing an arrangement were made, that although there were other Chartered Banks in the Metropolis, the notes only of one of those Banks should be received in payment of the revenue, would that remedy the inconvenience?—It would give those notes a preference in some cases, but still it would be in the power of any proprietor of any one of the other Banks to require from us payment of any bill or cheque in the notes of that particular Bank which he might wish to favour.

2999. Did you ever hear of any Country Banks being called upon to pay their liabilities in any thing but gold, or Bank of England, or their own paper?—I am not aware of the fact.

3000. For what reason do you suppose that the London Bankers would be called upon to pay in any other paper than Bank of England or gold?—I was urging the practical inconvenience which would arise from the establishment of several large Banking Companies in London, with a very numerous body of influential Proprietors. It naturally would be the object of those Proprietors to

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make the circulation of the notes of their own particular Banks as general as possible; that inducement would make them desirous, when they came with any demand upon a private banker, to force that body by these means into the necessity of using or locking up their notes.

3001. Then your opinion is not founded upon any thing that you ever heard took place, but only what you contemplate might be the case under those circumstances?—Probably there never has been an instance in any country town, which could at all come into comparison with what would occur in London under such circumstances; the business of London is so different from what occurs elsewhere, even in Edinburgh, that I think it would be almost impossible to reason upon a comparison of the two cases.

3002. Do you think that the circumstance of having a competition of Joint Stock Banks in the Metropolis would have a tendency to prevent fluctuations in the circulation?—No, I do not.

3003. Do not you think that if any one Bank issued more than its due proportion of paper, it would immediately be thrown back upon it by the other Bankers?—It probably would, in a short time.

3004. Would not that prevent any one Bank issuing more than its due proportion?—It would be a check in a certain degree.

3005. Would that check operate immediately upon the Bank?—I am not prepared to say that it would quite immediately, but it would act as a check within a short period.

3006. Would it prevent all the Banks issuing their fair proportions one to another, increasing the circulation of the Metropolis more than was required?—No, it would not prevent it.

3007. You are aware that the Bank of England have by Act of Parliament a right to pay the dividends to the Public?—I am aware that by all the Acts raising the different stocks, the Bank has a right to pay the dividends thereon.

3008. Do not you think it probable that, continuing to possess that privilege, which they would have whether more Joint Stock Companies were formed or not, they would pay those dividends very much in their own notes as now they do?—Probably they would.

3009. And that so long as they possessed that privilege, their preponderance and importance would very much continue?—Certainly, in a considerable degree.

3010. Would it not give them a vast advantage over other establishments?—As far as to the amount of notes they would have in circulation, and in general business.

3011. Then is it your opinion that if other Joint Stock Banks were established in the Metropolis, the circulation of the Bank of England notes would still continue to be the chief circulation?—They would constitute a very principal part of the circulation, provided the same right of paying the dividends remain to the Bank as now held by it.

3012. If the same right of paying the dividends remained to them, and they had, as they have now, the right of paying in their notes to the revenue, do you think that that would continue to them the monopoly of the circulation of the Metropolis?—Not the monopoly, it might continue to them a great proportion of the circulation of the Metropolis.

3013. Would you continue to them such a proportion of the circulation of the Metropolis, that they would have a control over the circulation so as to prevent any undue fluctuations?—Not altogether so as to prevent any undue fluctuations, but it would give the Bank of England a very salutary check over other Banks.

3014. Then why do you think that the establishment of Joint Stock Banks in the Metropolis would produce fluctuations in the currency of the Metropolis?—I conceive that, taking the circulation of London in notes at about 20 millions, or any given sum, the probable amount of gold locked up between the Banks would be one-fifth of the whole amount of notes in circulation; a variety of causes might occur, without any over issue of notes on the part of any of the Banks, to create adverse Exchanges, and an export of gold, which would throw the notes of the Joint Stock Banks back upon themselves for gold; and each having a much smaller proportion in gold by it than was necessary for the withdrawal of their notes, the whole portion in the hands of the different Banks being only one-fifth of the whole circulation out, they would immediately begin to

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to contract their issues, and not only to limit and stop all accommodation to their customers, but further, to call in their loans for the purpose of possessing themselves of the notes of the other Banks, with the intention of obtaining from them that supply of gold which otherwise they would not have to meet their own engagements.

3015. The answer you have given applies to the case of the Exchanges turning against the country without any previous over issue of notes; do you think that occurrence likely to take place?—It is an occurrence that has very frequently taken place, from foreign loans, and large imports, without any previous over issue of notes.

3016. Have you known instances of it?—I have.

3017. When you speak of the right of the Bank of England to pay the dividends, do you conceive that is any thing of a vested right, which cannot be taken away by Parliament?—I am scarcely prepared to answer that question, it is a right granted by Parliament for particular uses; but I conceive the same power might revoke it, if proved to be for the public good.

3018. Did the Public receive any valuable consideration for granting that privilege?—I suppose that was a matter of bargain at the time.

3019. You have said that the superior power of the Bank, in consequence of paying the dividends, and other circumstances, would operate as a salutary check, if there were other Banks; but does not that suppose that the Bank Directors would always do that which is exactly right?—We must argue sometimes upon the supposition that people in public stations will do their duty in the situations in which they are placed.

3020. Do you think that an agreement amongst the private Bankers of the Metropolis, in the case of a new Joint Stock Bank being established, to accept in payment between themselves the notes of that new Joint Stock Bank, would give to the notes of that Joint Stock Bank a part of the circulation of the Metropolis?—Decidedly it would, if the private Bankers generally agreed to do so.

3021. Notwithstanding the preference which the Bank of England would possess of paying the dividends, and having its notes receivable in revenue?—Decidedly; the business of the private Bankers, by its extent, would enable them to circulate these notes largely.

3022. In the system of Joint Stock Banks in Scotland, they are supposed to be prevented from forcing their notes in excess, by the system of exchanging one with another; do you think that that is effectual for that purpose?—I do not know much of that system, but from what I have occasionally seen, I should say that it has not acted altogether as a sufficient check.

3023. As each Bank would naturally endeavour to issue as many notes of its own as it could, and as each Bank would send in the notes of its neighbour, might not a system of that kind give greater steadiness to the circulation than when it should be left under the guidance of one single party, whose judgment may be at times supposed to be inaccurate?—That is a question upon which I am scarcely prepared to give an answer; but, for London, I should incline decidedly to prefer the government of the single party.

3024. When you said that you think there occasionally has been an over anxiety upon the part of the Bank of England to increase their issues, to what do you ascribe that anxiety; do you ascribe it to a desire of profit upon the part of the Bank, or to a desire to relieve the embarrassment of the commercial world?—The time to which I alluded was not one of great pressure in the commercial world; the years 1824 and the early part of 1825, were both of them periods in which the general commercial body was particularly well off.

3025. Should you say that previous to that, in 1822, the Bank had issued notes upon the kind of securities you had mentioned, on Government and other securities, besides the discount of bills?—I do not remember.

3026. You have stated, that you thought sometimes the Country Bank circulation did not diminish or increase with the diminution or increase of the notes of the Bank of England, but you thought that occasionally they went in an inverse proportion; can you state in what period you have noticed that operation?—I stated the period to which I alluded, to be about July and August 1825, as far as my recollection serves me.

3027. Can you state any particular fact from which you think the Bank of

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England circulation increased at that period?—It could be shown that we paid more notes of the Country Banks at that time.

3028. When you pay notes for Country Banks, is not that operation somewhat similar to the Country Banks paying them themselves?—It indicates that there has been a large amount of them issued previously, and that they were then returned.

3029. Therefore the conclusion you draw is, that in July and August Country Bank notes were being paid off?—That the amount of their issues in the previous months was thus coming up to London for discharge.

3030. Therefore in July and August, that fact would rather show that a contraction was then taking place of the previous issue?—Yes, provided the Country Banker did not continue to keep up his circulation by fresh issues.

3031. Would your books show at what period that issue had taken place?—We should only be able to judge of it by the remittances we received, and it is a fact to which I have not recently turned my attention.

3032. Can you state how long that large payment of Country Bank notes continued in London, which indicated an excessive issue in the country?—I have not recently referred to it, but I should not wish to limit it to the two months I have mentioned.

3033. Did it continue beyond that period?—I think it did.

3034. Did not that indicate a considerable disposition, during that time, upon the part of the Country Banks to put out more notes than the circulation of their neighbourhood could fairly carry?—If this payment of country notes in London was kept up for any length of time, it would prove that fact most clearly.

3035. Have you not observed that occasionally the issue of Country Bank paper depends somewhat upon large fairs and sales of cattle; have you ever heard, for example, of very large issues of notes at such periods?—Very often it depends upon local causes, and it varies in different parts of the country in that way at different seasons.

3036. If the notes brought to your house for payment in large amounts in July and August 1825, had been issued by the Country Bankers a short time previously to July and August 1825, would not that tend to show that it would not be in the power of the Country Bankers to increase the issues of their notes during a period when notes were reduced by the Bank of England?—It does not follow from that that the Country Bankers were not keeping up their circulation in the country during the time that those notes were coming to us.

3037. That would cause a further continuance of the large payments you made towards the end of 1825?—Yes.

3038. Do not you think that towards the latter end of 1825, or rather in September and October, a great increase of country notes came to London for payment, in consequence of their being payable in London only?—It was a cause which towards the end of 1825 operated very much, whether as early as October I am not aware; I think the first failure of Country Banks took place in November.

3039. You stated that in July and August 1825, you paid an unusual quantity of country notes; do you recollect whether at that time, what is termed a write-off, of one Country Bank in favour of another, increased in the like proportion?—I cannot answer that question satisfactorily from recollection.

3040. If they did increase in that proportion, would it not be a circumstance confirmatory of your opinion, that the Country Bankers were disposed to issue largely?—If the exchanges continued very largely between the Country Bankers, it would lead me to the conclusion that they had continued their issues of notes to a very considerable extent, but, not having referred to the subject, I am not prepared to speak decidedly as to the fact.

3041. About August 1825, the foreign Exchanges were adverse to this country, were they not?—I believe they were, but I cannot speak positively to the date.

3042. Was there not a contraction of Bank notes about that period?—I think in August and September 1825 there was.

3043. Is not the effect of a contraction of Bank notes to render them dearer with relation to the price of commodities?—Yes, if there is no counteracting cause.

3044. Gold being the common measure of Bank notes and Country notes, will

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will not the Country notes also become dearer and be of exactly the same value at all times as the Bank of England note?—Yes, I think they would, if not otherwise depreciated.

3045. Does it not necessarily follow, that if the value of the Bank of England note increases, the value of the Country Bank note must increase with it?—It will not invariably follow.

3046. You have mentioned that the establishment of Joint Stock Banks in London would tend to the injury of the Public, by diminishing the accommodation that the private Bankers now give; would not that effect be produced in a considerable degree if the Bank of England itself were to increase its facilities for transacting private business?—Certainly.

3047. In proportion as they increased those facilities, would they not diminish the means of the private Bankers?—Certainly, as they have already done to some extent.

3048. Is there any thing in the present Charter of the Bank of England to prevent their carrying those facilities to a much greater extent?—Not that I am aware of.

3049. Or to prevent the Bank of England establishing branches or shops in every street in London?—I am not aware of any thing to prevent it.

3050. If they were to do that, might they not accomplish all the evil in that respect which you think the Joint Stock Bank would accomplish?—No, for the Bank would not possess one point which the Joint Stock Banks would, for the Bank of England would only have its present number of partners, but we anticipate a great addition and increase in the number of partners in the Joint Stock Banks, and consequent diminution through them, of the deposits of the private Bankers.

3051. Do you not think that the large deposits now in the hands of the Bank of England, would be more useful to the commercial world if they were in the hands of the private Bankers?—Decidedly they would.

3052. And therefore if that system were extended, it would be a very serious evil to the Public?—A very serious evil to the commerce of London.

3053. Are you aware of the fact, that the consideration mentioned in the last question, has mainly induced the Bank of England not to afford those facilities?—I have heard that stated.

3054. Does not the Bank of England now afford almost every facility that the private Bankers do?—As far as opening accounts; but they do not, I believe, ever make advances with the same facility which the private Bankers do.

3055. Does not the private Banker frequently allow interest on deposits?—Never in London.

3056. And the Bank of England does not?—The Bank of England does not.

3057. And therefore the Public can have no reason for placing deposits with the Bank of England, except the feeling of additional security?—No.

3058. Are you aware of the system of exchange pursued by the Country Bankers relative to their own notes?—I believe in general they exchange in London.

3059. Do you know at what date they generally exchange in London?—It varies, sometimes twenty-one days, sometimes ten days or one week, but generally at sight.

3060. Have you not many instances, of Country Bankers that exchange their notes by drafts on the Bank of England at sight?—I have.

3061. Have you not many instances both of paying balances and of receiving balances on account of their correspondents, in cash at sight?—Yes, in cash at sight.

3062. Have you any idea that some years since the Bank of England refused to discount good paper for any respectable merchant that called upon them?—I do not recollect any instance of the Bank of England having refused to discount paper which a private Banker would think it proper to discount; the Bank has refused to discount paper drawn for accommodation purposes, or to keep the price of a particular commodity, such instances have come to my knowledge, and which have been made the subject of unfair complaint against the Bank.

3063. And is it not your general impression, upon the whole, that with respect to advances made by discount, the Bank of England exercise a very wise discretion?—A very wise and liberal discretion.

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3064. Was there any large quantity of gold in circulation in the country prior to 1822, in anticipation of the withdrawal of 1*l.* notes?—Yes, I believe there was.

3065. Do you happen to know whether you received a large quantity of gold in the years 1823, 1824 and 1825?—I do not recollect the circumstance at this moment.

3066. Do you happen to know whether the alteration of the law which extended the period of the circulation of 1*l.* notes for ten years, led to a very large issue of notes on the part of the Country Bankers?—That is a question which I must answer so much from indistinct recollection, that perhaps I should only mislead the Committee by replying to it.

3067. Is it your opinion that that would occasion a great increase of country paper?—It is very likely to do so.

3068. And have forced upon London the whole of the gold, or nearly so, that had been in circulation?—That would have been the probable consequence.

3069. May not that have occasioned the large stock of bullion which was in the hands of the Bank in the early part of 1824?—That would be the probable operation.

3070. Supposing the stock of gold to have been unusually large in London at that period, would it not take a longer time for the exchanges to be operated upon there, precisely in consequence of that mass of gold?—Yes, it would.

3071. May not that have been one cause why the Panic in 1825 was so very serious?—Yes.

3072. At the present time, in the course of your business, is the balance of gold in your favour or against you?—At this moment it is in our favour.

3073. To any considerable extent?—Not to any considerable extent; a month ago it was in the reverse way.

3074. Had you any great demand for gold at that period?—A very considerable demand; a very large demand from Scotland.

3075. Do you consider the Country Banks at present in a state as safe and substantial as they have ever been?—I should say that they are in as healthy a state now as they ever have been within my recollection.

3076. Do you think that, generally speaking, they are more so since the suppression of 1*l.* notes?—I should say, certainly.

3077. Do you think the establishment of the Branch Banks of the Bank of England has improved the country circulation, or otherwise?—I do not think it has improved it; I think as they have been hitherto conducted, they have been a convenience, and perhaps a benefit to Country Bankers, but if they extend their business so as to interfere with the private Banks in the different towns, I think they would bring about the same evil which we anticipate in London by the erection of Joint Stock Banks.

3078. Among Country Bankers that you correspond with, what do you find to be their general feeling with respect to the Branch Banks?—My opinion is founded upon the opinion of my correspondents, which is, that as they are at present conducted, the Branch Banks are rather useful than otherwise to them; there has been no material interference as yet with the business of the private Bankers.

3079. Do you think that opinion is well founded?—As far as I can judge, I should think they are a great convenience to a private Banker, without being detrimental to his business.

3080. In what way do you apprehend that a further extension of the system may become prejudicial to Country Bankers?—At present they hold out some advantages to the merchants in the country towns, which the private Banks do not; for instance, they issue their notes without charging commission; the profits of the private Country Banker in many places are mainly derived from commission; but still there is such an advantage to a merchant in a country town in keeping his account with the private Banker, who knows his property and his transactions, and to whom he can apply for loans at the time when he may not have his means in hand to offer as security, with the certainty of obtaining the assistance, that I do not think there is any chance of the Branch Banks interfering materially with them under their present mode of business.

3081. Does not the existence of the Branch Bank relieve the Country Banker from communicating with you for the purpose of getting down either specie or any other assistance he may require in his business?—In a great degree it does;

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a great part of the specie required by the Country Banks is transmitted through the Branch Banks, in the districts where they are established.

3082. Then, what they are apprehensive of is, that they may take away some of their good customers?—Exactly.

3083. Does it occur to you that the interests of the Public require any important change in the laws which regulate Banking at present?—I speak of London more particularly, where I do not think they require any great alteration; my conviction is, I mention it reluctantly, because this is a point upon which I may be thought to have an interest, but it seems to me that the business of London with the Bank of England, as the Bank of issue, and with private Bankers, as the channels through which the necessary accommodation are given to the different commercial interests, is as good a system as can be devised; instances occur every day in which it would be impossible for the first mercantile houses in London to deal with the Bank of England, or with a Joint Stock Company; they come often to ask for loans, for the purpose of executing orders received from abroad, for the export of bullion and other commodities, they communicate confidentially with their private Banker, but they could not follow this course or make these communications to the directors of a Joint Stock Bank, some of whom might probably be their rivals in trade and in these operations; and again, among the second class of traders, we are obliged to proceed often upon the knowledge we have acquired of their business and character, a system upon which a Joint Stock Company could not act; I consider also, that if these modes of accommodation were withdrawn, the distress among many of the traders in London would be extreme, and the impediments to business insuperable.

3084. Do not you think there is a great evil in the change itself, in a matter so sensitive as the public credit, unless there be a strong reason for the change?—I consider it is a very great evil, and have no doubt that at the present moment the expectation of some change likely to take place in the system of Banking is inducing many of the large dealers in London to withhold from extensive transactions.

3085. Do you conceive it to be important to have the question set at rest as early as possible?—I think it very important, and believe I am expressing the opinion of a very large portion of the traders of the city.

3086. Do you apprehend that there is any difference of opinion upon that subject?—I have met with none.

3087. Would you recommend any alteration in the law respecting the issue of notes by Country Bankers; would you advise that they should be allowed to issue notes below 5*l.* or would you alter the present state of the law with respect to their liability to pay the notes they issue in gold?—That is so important a question that I scarcely feel myself competent to give an answer to it; we have gone through the period of difficulty from the alteration, and another change might perhaps be again attended with serious consequences.

3088. With a view of preventing a pressure upon the Bank of England for gold at a time of what has been called political discredit, it has been suggested that Country Bankers should be enabled to pay their notes in Bank of England notes, and that for that definite object Bank of England notes should be a legal tender; have you ever considered that question?—I have; it is a question which has been discussed by several Country Bankers with me, and I think there seems to be a feeling in the minds of some that it might be a very beneficial measure.

3089. Is that your own opinion upon it?—I concur in the opinion that it might be perhaps beneficial.

3090. What do you think would be the advantage of it, or why is not there as much advantage in a Country Banker now being enabled to tender to his customers the Bank of England notes in exchange for his own notes, and leave it to them to decide whether they will take them or not?—In a time of political excitement, this tender would be of no avail, the demand would be for gold.

3091. Would it not, then, tend to add to the excitement; if the Public found they could not get gold, would it not tend to discredit the Bank of England note itself?—I think there would be some advantage in having the whole of the bullion concentrated in one particular place, to meet any demand that might arise against it, instead of having it dispersed through the different Branches and the different Country Banks.

3092. Your answer assumes that the Public would prefer gold to Bank of

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England notes?—Yes, the assumption having been raised in the previous question.

3093. Then why would the pressure upon the Bank of England be relieved, because the party holding Bank notes would press upon the Bank of England to have those notes exchanged?—That would throw a difficulty in the way, inasmuch as they must either bring or send the notes to London.

3094. In the meantime, would not the public confidence be shaken by that very difficulty?—In the year 1825, we tried the experiment in one town, during the period when the Bank was supposed to be pressed for gold, and it succeeded.

3095. Was not there an issue of 1*l.* and 2*l.* notes, which supplied the deficient circulation of gold?—There was, but the principle was similar.

3096. The present question refers to notes of 5*l.* and upwards; if there was a want of confidence in Bank of England notes, would the difficulty of the two days loss of time that would be occupied in sending the notes to London for payment, prevent those notes from being tendered?—It would depend so much upon the degree of excitement that might be going on at the time, that it would be difficult to say.

3097. Do not you think that in many remote parts of the country there is a greater confidence in the Country Bank paper than there is in the Bank of England paper, on account of their being a greater security from risk of forgery?—That has been said to prevail, but I am not certain that it is at all generally felt.

3098. Could it make any difference to the Country Banker, except as saving him the expense of the conveyance of gold instead of paper, when he was to provide himself with Bank paper or gold to answer a demand in case of a Panic?—I do not think that the Country Banker could find any individual advantage in the arrangement, except as it might be generally a beneficial plan; it would only be to him the saving of the expense and the risk of the transmission of gold.

3099. Has not one of the conveniences derived to the Country Bankers from the establishment of Branch Banks, been the facility with which in many instances they have been able to obtain gold when they wanted it?—Yes; but in times of pressure I should think it would be imprudent in a Country Banker to rely upon that channel.

3100. Are you aware that in several instances your correspondents in the country have been obliged to make deposits with the Bank of England, previous to their being able to receive gold from the Branches?—Yes.

3101. Are you aware that in the course of May last, the Bank of England refused to make those advances to the Country Bankers, upon their making those deposits in London?—I believe that during a short period there was that refusal on the part of the Bank of England.

3102. Do you think it would be possible to make the Bank of England notes a legal tender on the part of the Country Bankers, without making them a legal tender in other transactions?—There certainly would be a difficulty.

3103. Might it not place a person who ought to have money at his command, in a situation of impossibility of paying his debts?—It might.

3104. At present the notes issued by the Bank of England at their Branch Banks are payable in gold?—They are at the Branches as well as in London.

3105. Supposing the Country Banker exchanged the Branch Bank notes for his own notes, and those Branch Bank notes were payable in gold, would not the pressure in the case of a Panic be diminished in a very small degree indeed, because the party would only have to go from the private Bank to the Branch Bank?—Certainly.

3106. Would it not therefore be necessary to give the same privilege to the Branch Banks to issue paper payable only in London and not at the Branches?—It would be necessary and perhaps beneficial to have such notes payable only in London.

3107. In order to effect the object which the Country Bankers contemplate, would not that alteration in the law be absolutely necessary?—Clearly.

3108. Have you heard Country Bankers express an opinion that it would be desirable for them to have the power of paying in Bank of England notes, rather than in gold?—Yes, I have.

3109. You stated that the establishment of Joint Stock Banks in London, governed by bodies of directors, would not be capable of giving so much useful and discriminating assistance to traders, as private Bankers can give; would you

you apply that observation to the country as well as to London?—No, I think there is a great distinction between the country and London business; in a country town, with a limited population, the Directors are as well able to judge of their customers as a private Banker can be; but in London I think it is almost impossible for the Directors, who would be coming in and going out by rotation, to make themselves acquainted with the character and circumstances of individuals, in the same way as private Bankers could and do.

3110. Might not the Directors both in the country and in London be retained for a longer period?—I only instance the fact as it occurs generally.

3111. Do the Joint Stock Bank Directors retain their situation a shorter period than the Directors of the Bank of England?—There is only one that I am particularly acquainted with; in that, the Directors change a certain number every year.

3112. Do they come in again by rotation?—I do not know.

3113. Supposing the Directors to retain their places for as long a period in London as in the country, would you see any distinction between London and the country?—I should draw this distinction generally, that you cannot get a Director to do that for his proprietors, which a private Banker would do for himself; but I think that in a country town, individuals are so well known to each other, that there is no necessity for that acquired knowledge, which there is here.

3114. Would not you think that the circumstance of individuals in London not being so well known, would give to a Joint Stock Bank, governed by a great number of Directors, possessing each of them their knowledge of individuals, an advantage which the Country Banker would not possess?—It is the duty of a private Banker to become acquainted with his customers; his business depends upon it, and his advances must be governed by this knowledge; if you can persuade the Directors of a Joint Stock Bank to take the same interest for their proprietors which an individual does for himself, then, perhaps, much of the difficulty might be removed.

3115. From your observation of Country Banks, do not you think that now they conduct their business with a great deal of prudence, and a great deal of caution?—Yes.

3116. And in some cases even with over-timidity?—They may, perhaps, but I am not aware of that fact.

3117. You have spoken of a Joint Stock Bank with which you are in correspondence; do you allude to the Bank that has been established in Manchester since the year 1826?—Yes.

3118. That is not a Bank of issue?—It is not.

3119. You are aware that that Bank has a very extensive and increasing business, arising in a great measure from the liberal accommodation they give to the Public?—I am aware that the Company carries on its business remarkably well, and under excellent management; it is constituted in such a way that it was enabled to get together a great deal of business. They have a very large list of subscribers; and in that list, I believe, some of the principal people in the town and neighbourhood of Manchester.

3120. Do they issue in Bank of England paper?—Yes; they discount in Bank of England paper entirely; it is part of their system not to circulate the notes of any other Bank but those of the Branch Bank at Manchester.

3121. Would you not take for granted that the Joint Stock Bank at Manchester has interfered with the business of the private Bankers of that town?—I should think so.

3122. Why should the Country Bankers be subject to that interference, and not the London Bankers?—Only, if we can show that the business in London is now as well done, or perhaps better done than it could be under any other system, and that it is adapted to the wants of London; we must rest our case entirely upon that; we only mean to say that change is not desirable, if we can fairly show that the system long followed in London is that suited to the trade of London, and that under which the mercantile body has flourished and done well for many years.

3123. Do you not think that by increased competition the Public are better served?—I think the competition that is suggested would go to the destruction of the private Bankers, and therefore ultimately injure the Public.

3124. Has it had that effect at Manchester?—Not to my knowledge.

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3125. You have stated that it is not the custom of London Bankers to allow interest to Country Bankers upon the deposits in their hands?—It is a custom which has very much diminished since the War, and it is now rarely done.

3126. Are you aware that that is annually a source of loss to the Country Banker, inasmuch as he allows interest upon his deposits?—I was not aware that it was a loss to him.

3127. Of course any sum lying idle in the hands of his London agent must be a loss to him, must it not?—But then it is deposited as a remuneration for the business transacted, he places it in lieu of commission.

3128. What commission does the London Banker charge to his correspondent in the country?—It varies very much; an eighth is the common rate, but they often pay a fixed annual sum in lieu of commission, or they keep a regular fixed deposit in lieu of it.

3129. If the Country Bankers think that by establishing, themselves, Joint Stock Banks in London, without their being banks of issue, their business would be more advantageously conducted, why should they be precluded from doing it?—I can see no reason for their being precluded, if they can get it done as well and as cheaply as they can by their present London agents.

3130. In reference to the answer you have given as to the injurious effects that possibly might arise to the business of the private Bankers in London from Joint Stock Companies, have you not had reference to those Joint Stock Companies being Banks of issue, and not simply such Banks as the one established at Manchester?—I have referred occasionally to both descriptions.

3131. Do you think it would be expedient to continue the restriction as to the number of partners in banking houses in London?—I think it is a very doubtful point whether any restriction exists at this moment as to the number, unless they are Banks of issue.

3132. Then if it is merely a question of making Joint Stock Banks, not being Banks of issue, you conceive that can now be done by law?—We have always conceived that such was the law; I know there has been a different construction put upon it elsewhere.

3133. Could they accept a bill?—We have been told that they can, and that the only point on which they are restricted is issuing.

3134. Could they indorse a bill for discount?—We have been so informed.

3135. Is it your opinion that the circulation of the country is at present in a healthy state?—I think it is.

3136. Has there not been a deficiency of mercantile bills in the money market, of late years, compared with former years?—Lately there has been.

3137. Do not you think that is partly owing to a new and better distribution of capital between the manufacturer, the merchant, and the dealer, than was the case prior to 1825?—I think a great deal of that which was formerly done in bills of exchange is now done in cash.

3138. You spoke of the apprehension that prevails in the City with respect to the issue of the inquiry going on before this Committee; will you state what is the nature of that apprehension and anxiety?—The effect which may be produced upon prices if any change in the currency is again made.

3139. Therefore it is an apprehension of some change in our system of money, and not in our system of banking?—The one in a great degree depending upon the other.

3140. Supposing the Public felt perfectly sure that no change would take place in our monetary system, do not you think those apprehensions would altogether cease?—I think they would, and that there would be a tendency to better prices.

3141. Do you know whether prices have lately advanced in the City, particularly with regard to raw produce?—Not much, though there may have been in some few articles.

3142. With regard to the question put to you, about London Bankers allowing interest to Country Bankers, are you not disposed to believe that that custom is dangerous to the London Bankers, and that there are proofs of it in the failure of certain Banks in the year 1825?—I am not prepared to say that it is dangerous; I think it is inconvenient, and I should say an unprofitable system to the London Banker.

3143. May it not lead an injudicious London Banker to lend his money sometimes

times without proper caution, because he feels that he cannot afford to keep it unprofitable?—I believe there have been instances of that.

3144. Is there not precisely the same difficulty when the Country Banker allows interest; would it not equally lead him to an imprudent use of the money?—I am not aware that it does.

3145. How does it happen that the practice of allowing interest on deposits, which is a prudent practice and a general practice with the Country Banker, becomes dangerous and imprudent in London, where the Banker has so much easier means of employing his money in securities that are immediately marketable?—I should say that one cause arises from the circumstance of the money held by the London Banker being generally in very large sums; a Country Banker may allow upon a total amount which may be large, but it consists of the deposits of so many manufacturers and customers that it diminishes the evil in a great degree.

3146. Is not another reason this, that the payments of the London Banker are altogether in cash or Bank notes, whereas the payments by the Country Banker are frequently in bills of exchange not due, which he has previously discounted?—The Country Bankers not being called upon for payments on demand, is another reason.

3147. Has not the circumstance of the reduced rate of interest on exchequer bills induced the London Bankers to discontinue allowing interest to Country Bankers?—Yes, in part, the general low rate of interest.

3148. Since the London Bankers have generally ceased to allow interest to the Country Bankers, has it not become the practice with Country Bankers to employ their surplus money through the medium of a bill broker?—It has in a great degree, and in Government securities.

3149. Has not that mode of employing their money in a great measure compensated them for the loss they may sustain by the London Bankers not allowing them interest?—I should think they get about the same rate of interest.

3150. Have you ever considered the practicability of requiring Country Bankers to give security?—I have heard the subject agitated.

3151. Do you think there would be great difficulty in exacting such a security from Country Bankers?—I am not sure that there would be any great practical difficulty, because nearly all would be able to give it; but I think there might be great inconvenience in it. I think, calling upon any man to provide for payment of his notes in two, or rather in three ways or places, is rather more than would be right.

3152. How in three ways?—At home; with his London agent, if they are payable in London; and in the security he gives to Government.

3153. Would not that have a tendency materially to diminish the profit of the Country Banker, if you require him to invest his capital in exchequer bills?—Certainly.

3154. Therefore it would operate to diminish his means of affording accommodation in the same way as an extension of the business of the Bank of England?—No doubt it would.

3155. Do you think the Country Banker would carry on his trade upon those conditions?—I think very few of them would.

3156. Would not one of the probable effects be, that he would abandon the system of allowing interest?—It might in part have that effect, but then he might be obliged likewise to abandon the charge of commission, which is a very profitable part of his business; and I am not sure that he would gain materially by that change.

3157. If the Country Banker gave security for his notes, would not his note creditors be paid at the cost of his other creditors?—They clearly would have a preference.

3158. Are you aware of an arrangement having been entered into, between Country Bankers and the Bank of England, to issue notes of the Bank of England?—I have heard of such an arrangement in particular places.

3159. Are you aware that the Bank of England invariably requires security to be deposited against the notes which they furnish the Country Bankers with?—I was not aware of their requiring further security than bills of exchange to discount.

3160. Is not that just the same thing as depositing security, according to the question that has been put to you, for the issue of notes?—If that was the case,

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still it would not get rid of the other difficulty, when the Country Banker is obliged to provide for his notes at three places. There is in the first instance the provision he would have to make by giving security to Government; secondly, the provision in the hands of their correspondent if payable in London, and the provision at home; now when a Country Banker takes notes from the Bank of England he at once gets rid of two of those liabilities; he gives security to the Branch Bank of the Bank of England, but he avoids the necessity of provision at home and in London.

3161. Do you imagine that the security that has been suggested would be of a more stringent nature and more disadvantageous to the Country Banker, than the system at present followed between the Bank of England and the Country Banker?—Much more so in its operation.

3162. When you say that it would be more stringent, do you not mean, not so much that the security itself would be more stringent, as that there would be the necessity of a preparation for the payment of notes in addition to the security?—In two places, in addition to the first security.

3163. In case of an arrangement between the Bank of England and the Country Banker, under which the Country Banker issues the notes of the Bank of England, do you conceive that any double capital is required?—Not in the case of a Banker taking notes from the Bank of England; he discounts his bills with the Bank of England, and takes their notes.

3164. In case of security being given to Government by a Country Banker issuing paper, would there be a double capital required?—He would have to find three capitals, if I may be allowed so to say; he would have first to secure the power of issuing notes by depositing security with the Government, he would have to find it with his correspondent if payable in London, and he would have to provide at home against any demand for payment in gold.

3165. Supposing a Country Banker were at present under agreement with the Bank of England to deposit exchequer bills, and not to discount bills, would not he be in the same situation if he deposited discounted bills?—The Bank of England would as soon take one as the other.

3166. Is it not likely to be just as convenient to the Banker to deposit exchequer bills, as to deposit other negotiable securities?—I am not prepared to answer that, but I should doubt it very much; I do not think the Country Bankers are in the habit of holding exchequer bills for purposes of that sort, so as to be a permanent lock-up.

3167. Are not the negotiable securities which they deposit in the hands of the Bank, now purchased by them with capital, in the same way that exchequer bills would be?—Clearly.

3168. Then is there any difference between negotiable bills and exchequer bills?—They are both purchased by the means of the deposits made with or by the private capital of the Banker.

3169. Then in what consists the difference between the Country Bankers depositing exchequer bills or discounted bills in the hands of the Bank, and getting Bank of England notes for them, and his depositing exchequer bills or negotiable bills in the hands of the Government, and getting a certain quantity of paper which he issues?—He must always keep capital at home for meeting those notes.

3170. Then the great difference consists in his having on the one side Bank of England notes to pay with, and not being liable to be called upon to find capital for them, and on the other hand having his own paper, against which he is obliged to keep an additional security with Government?—Yes, that is one very important reason.

3171. In case therefore of the Government requiring security from the Country Bankers, would not the best system be to induce the Country Banker to take the Bank of England notes, giving security for the Bank of England notes?—It would be better than the other alternative.

3172. Are not the negotiable securities alluded to, negotiable securities which the Banker takes in the course of his regular business?—Those which he has discounted, probably, for his customers.

3173. He would not take exchequer bills or public securities in the same manner?—He might occasionally, if his deposits were larger than usual, hold them as a means of employing such deposits; but the Country Banker would scarcely call it a part of his regular business.

3174. Therefore,

3174. Therefore, if he gives the Bank those negociable securities which he holds from his customers, the money so employed gives facility and currency to the business of the neighbourhood; but if he is obliged to employ that in buying exchequer bills, or in giving securities, the neighbourhood loses the benefit of that circulation?—Certainly, that would be part of its effect.

3175. Has he at present any object in keeping a larger amount of negociable securities with the Bank of England, than that which may enable him to provide gold in exchange for his notes?—Not as the system works now.

3176. And he may terminate his transaction with the Bank of England at a week's notice?—Certainly.

3177. So that there is this clear distinction, both in the amount and in the terminable nature of the transaction, between the negociable securities now deposited with the Bank, and the security which the Government would require?—Clearly. I understand that some of these transactions between Country Bankers and the Bank of England have been carried on for a fixed period, for six months, but terminable at the end of that period.

3178. Is there not also this distinction between the employment of his money in negociable securities, and the vesting it in public securities, which he would have under the supposed system to deposit with the Government, that he uses his negociable securities with the Bank only when he wants the notes; but if he were obliged to make a deposit as a security for his right to issue, would he not then be obliged to take the maximum of his issues at any one period of the year?—Yes, to keep it up to the maximum.

3179. Therefore he would be forced to purchase a given amount of certain securities which he must hold, instead of being left free to take any species of negociable securities which might suit the nature of his business?—Yes, that would be the effect.

3180. Do you see any good reason why the Country Banker should give security for his notes rather than for his deposits?—Clearly not, as a matter of business.

3181. Do you know what proportion his notes generally bear to his deposits?—I cannot say.

3182. Are not his deposits larger than his notes?—I should think so.

3183. You are probably aware that in some parts of England, in Norfolk for instance, the Country Banks issue many cash notes, and draw few bills, whilst in other parts of England, such as Lancashire for instance, they issue no cash notes, but draw numerous bills after date; do you see any reason why the holder of the Bank notes of the Bank at Norfolk should have security, rather than the holder of the bills of exchange of the Bank of Lancashire?—There can be no reason for the preference which would thus be given.

3184. Can you state the number of items of payment and receipt which pass in the course of a day in your Bank?—I can furnish it to the Committee; but I cannot state it at the present moment.

Sir Coutts Trotter, Bart., called in; and Examined.

3185. YOU are a London Banker?—I am.

3186. Is your principal business with mercantile men, or with persons not engaged in mercantile transactions?—The principal part of our business is not with mercantile men.

3187. Have you any correspondence with the Country Bankers?—Yes, we have, but very limited.

3188. Supposing the Charter of the Bank of England to be renewed, would you be inclined to suggest any alterations in the law respecting the Bank of England?—Not with reference to our House as Bankers.

3189. Would you, with any other view, propose any alterations?—I have not considered that; with regard to myself, as a London Banker, I do not conceive that it could be upon a better plan than it is at present.

3190. What do you think would be the effect of allowing Joint Stock Banks of issue to exist in the Metropolis, besides the Bank of England?—The first effect I think would be to occasion considerable inconvenience to Bankers circumstanced as we are, and as I believe all the established Banks at this end of the Town are, inasmuch as it would necessarily occasion a variety in the elements of our currency which does not exist at present; our currency consists at present entirely of the legal coin of the country and the Bank of England

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notes; both are so happily constituted, both in proportions and in quality, that I do not conceive any thing could be more convenient for a person exercising the business of a Banker in London.

3191. Do you think there would be any advantage in the establishment of Joint Stock Banks not issuing notes in London?—I do not see any advantage that would arise from the establishment of Joint Stock Companies.

3192. What effect do you think the establishment of Joint Stock Banks issuing notes in the Metropolis would have upon the fluctuations in the amount of the currency; do you think it would be likely to produce a greater fluctuation than now exists, or to lessen the fluctuation?—I do not feel competent to give an opinion upon that.

3193. Have you considered whether the distance of 65 miles, within which now no Joint Stock Company can issue notes, is necessary, in order to continue to the Bank of England the monopoly of the paper circulation of the Metropolis?—I should conceive not; I conceive that the circulation of the Bank of England is limited to a much narrower circle than the 65 miles.

3194. Do you think that the distance of 65 miles might be diminished without detriment to the Public?—I think it might.

3195. To what extent do you think it might be diminished, do you think that 25 miles would be sufficient?—So far as affects the convenience or the interest of the Bankers in London, I conceive that 25 miles would be ample; how far it would abridge the convenience of people living within the present range of 65 miles, I cannot answer. I conceive there can be no currency so perfect as the existing currency, and supposing it not to interfere with country establishments, the wider it extends, the more convenience it affords to the Public.

3196. Are you not of opinion that if Joint Stock Banks were established in London, with the power of issuing notes, the private Bankers of London might suffer inconvenience from being called upon to pay to the Public in exchange for drafts, the notes of those Companies?—I am of opinion that the Banker in London at this moment can have the funds which he destines for the payments of the day in the most convenient form in which it is possible for him to have them, that he may have any proportion he pleases of the currency of the country in precious metals, and any proportion he pleases in the most convenient kind of Bank paper; if you change that, and allow private Banks to issue paper in London which could not fail to be tendered at the counting-houses of individuals, you must entail upon the Bankers the necessity of a constant exchange of those notes for the better kind of currency, and you also entail upon him a certain degree of hazard, inasmuch as during the time that he is holder of those notes, he holds them at his own peril.

3197. You are aware that those Joint Stock Companies would have very large capitals, and be composed of a number of persons of property, and would attempt to get their paper into universal circulation; if they succeeded in that, is it not true that your House might be called upon to pay 3,000*l.* or 4,000*l.* in the notes of one of those Banks, and if you were called upon to do that, would you not feel that you were placed in a very embarrassing situation?—We could only be expected to pay in the legitimate currency of the country; I do not think that any Banker could, under any circumstances, be required to pay in the notes of a private establishment.

3198. Supposing there were a number of Joint Stock Banks, but that the Bank of England was still going on, would you not pay in Bank of England paper?—Supposing the Bank of England paper to retain the same pre-eminence that it does at present, of being of universal acceptance.

3199. And you do not think people would refuse to take it?—They have not hitherto, and I conceive they never would.

3200. Do you not now receive a considerable amount of Country Bankers' notes at times?—Occasionally, but very seldom.

3201. When you do receive them, do you not send them immediately and get them exchanged?—Yes.

3202. Should you not, in the case of the establishment of Joint Stock Banks, pay their notes into them, and get Bank of England notes or gold in exchange?—Yes. I conceive that if it were once established that private establishments might issue notes, many of their notes would be paid away; individuals would come to their Bankers, and say, I have, in the course of business, or to oblige a friend,

a friend, taken these notes of an establishment at Charing-cross, or an establishment at Stratford-place, and I leave them with you to receive payment of them, and to put them to my account, and it would then be our duty to receive them; but I think it would be the care of every well-regulated house to send those notes periodically, I should think every day, for clearing, as we do now.

3203. If the notes of those Joint Stock Banks became the common circulation of London and Westminster, in that case would you not be liable to be called upon for them, as you would for Bank notes?—I can hardly conceive such a state of things.

3204. If you found that you were exposed to inconvenience, from the preference given by your customers to one class of notes over another, sometimes demanding the notes of one Bank and sometimes demanding the notes of another, would you not naturally refuse to take those notes?—I do not think we could do that; they would be paid into our hands for the purpose of our doing the duty of collecting and converting them into money.

3205. But you would at once send them for payment?—We do so now, and I think we should do so then.

3206. If the Bank of England continue to have the privilege of paying the dividends of the Public Funds, which privilege they have now by law, and if the Bank of England notes were received in payment of the revenue, would not that give to the Bank of England notes a preference in the Metropolis, notwithstanding any Joint Stock Banks that might be established?—I think it would in a very great degree.

3207. In that case should you feel yourself called upon to keep by you the notes of any other Bank, except those of the Bank of England?—I think not.

3208. Do you think that the establishment of Joint Stock Banks in the Metropolis would diminish your power of giving accommodation to your customers?—I think, inasmuch as any rivalry, whether better or worse in its principle, would tend to take away the deposits lodged with Bankers, just in that proportion it would take away the means of accommodating the customers of their house.

3209. Does the accommodation you give to your customers depend upon your personal knowledge of their character and circumstances?—Not in a great degree; a great portion of our loans are made upon securities, quite safe, independent of the character of the individual.

3210. Does that arise from your transactions being principally with persons not engaged in trade?—I conceive it must in a great degree be so.

3211. Are you acquainted with the system of banking in Scotland?—Only generally.

3212. What in your opinion is the effect of competition of the Joint Stock Banks of issue in Scotland; does it produce or does it prevent fluctuation in the value of the currency in Scotland?—I should be afraid to give any opinion upon that subject; the impression upon my mind is, that the value of the currency in Scotland is as uniform as it is in England.

3213. Is it more uniform than it is in England?—I would not say that it was.

3214. Do you consider that there seldom occur over issues of paper in Scotland?—I cannot answer that.

3215. What is the check which operates in Scotland to prevent any Bank issuing more paper than it ought?—The same check, I conceive, that operates in England, the liability to be called upon to pay in the coin of the country, or, what is now substituted frequently for that, in something equivalent to the coin of the country.

3216. Do the Banks in Scotland depend for a payment of their notes in specie, upon their own resources of specie in their hands, or do they depend upon their communication with London?—I conceive that they depend in Scotland as they do in England, upon the actual deposits which in the ordinary management of their affairs they think will probably be wanted, which sometimes are increased upon emergency by an application to the Bank of England; and they do so from necessity, because there is no mint in Scotland to which they can send bullion for coinage.

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3217. Would not the fact of there being no mint in Scotland render it prudent in the Bank of Scotland to keep a larger reserve of specie than would be necessary for Bankers nearer the Mint?—I cannot answer that question.

3218. If a Banker in Scotland has to send further for his supply of specie, ought not he to be prepared with a large amount ready at hand, in order to pay his notes?—I think he is probably guided, in the reserve he keeps in his hands, by the experience of many years, of what is necessary.

3219. Do you believe, in practice, that it is the habit of the Bankers in Scotland to keep a large or as large a resource of bullion as the Bankers in England do?—I cannot answer that question; I would say it is not so, inasmuch as there is not so great a proportion of the coin of the realm circulating in Scotland, or desired in Scotland, as there is here.

3220. Supposing that the Charter of the Bank of England were not renewed, and that the currency of London were to be composed of issues by Joint Stock Companies, do you believe that the Banks in Scotland would be enabled to carry on their business with the same amount of specie which they now retain in their coffers?—I think that if the Charter of the Bank of England were taken away, and any demands from the country were to arise to a great amount, the Bankers in the country would have much greater difficulty in receiving the required supplies than they now have in being enabled to have recourse to the Bank of England.

3221. Therefore your opinion is, that if the Charter of the Bank of England were taken away, the consequence would be, that in each of the banking establishments in the country there must of necessity be a larger deposit of specie than is necessary at present?—I think so, and in Town.

3222. Is it not the case, that there being a very small circulation of specie in Scotland, their dependence upon the Bank of England for a supply at any time when that supply may be required, renders it prudent to carry on the banking business in Scotland with small deposits of money in their possession?—That must be a matter of opinion, I cannot speak to that.

3223. Do you believe that Country Bankers retain much gold in their hands?—We are only correspondents of one or two Country Banks in England, and I cannot judge of that.

3224. Have you reason to think that amongst the traders at the West end of the Town there is much distress prevailing at this time?—I hear it universally said that there is a great want of business, that their business is very much reduced; but I do not know that from my own knowledge.

3225. Was not your house, within a very few years, in the habit of issuing notes?—We can hardly call it a habit, but we used occasionally to issue notes; when I first became a partner in the Strand, a connexion of the house, who used to go to Newmarket, used to ask us to give him 100 guinea notes, as they were more convenient for settling his engagements there than the pound notes issued by the Bank of England.

3226. Were not those notes always payable upon demand?—Yes, they were.

3227. You are aware that fifty years ago all the London Bankers, with very few exceptions, issued notes?—I do not know it of my own knowledge.

3228. May it not fairly be concluded that, subsequently to that, they found it their interest not to do so?—Yes.

3229. The London Bankers not having found it their interest to issue notes payable on demand, do you suppose that if Joint Stock Companies were established in London, they would also not find it their interest to issue those notes in London?—They would be created under different circumstances, with a very different object, for the very purpose perhaps of issuing notes, and they might endeavour to do so.

3230. In case of their being established, do you think it would be profitable to them to issue notes in London?—We know that in one part of the country, notes circulate, and there is a rivalry there between the great chartered establishments, and there is no reason why they may not do so here at the same time; I think the established character of the Bank of England is such, that it would always have the greater proportion, and its notes be found the most convenient.

3231. Do

3231. Do not you think that the superiority of the Bank of England is so great, that it would prevent a Joint Stock Bank in London from deriving any profit from the issue of their notes?—A Joint Stock Company might be established perhaps nearly as extensive and as powerful as the Bank of England itself, and in that case, that establishment being opposed to the Bank of England, they might possibly in some degree take the place of the circulation of the Bank of England, and if they did so, I think it would be a public inconvenience.

3232. If a Bank of that sort were to attempt to issue more notes than could be used in the currency of London, would it not produce the same effect upon the foreign Exchanges as an over issue of Bank notes, and immediately cause them to be returned upon that establishment?—I can hardly form any opinion upon the effects of an excess of currency upon foreign Exchanges, under the circumstances mentioned.

3233. Would not the circumstance of a greater amount being issued than was required for the currency of London, have the effect of immediately causing gold to be demanded in payment of those notes?—I think so.

3234. Would not that be a sufficient check against the over issue of notes on the part of the Joint Stock Bank?—On general principles, I conceive it would.

3235. Do you think that any inconvenience has been experienced in Edinburgh from large Joint Stock Banks with limited responsibility, issuing notes; have the Public in Scotland sustained any inconvenience from such rivalry?—I do not feel myself competent to answer that question. They have felt inconvenience in this way, that I am sure. The circulation of Edinburgh, from a variety of notes, cannot be so convenient to the individual Bankers there as a circulation of one uniform currency, such as we have here; it involves the necessity of constant changes of notes.

3236. How is an excess of issue prevented in Edinburgh between the different rival establishments there?—I conceive it is controlled in the same manner that it would be controlled here, by each establishment sending for payment of the notes which it has taken in the course of a certain time from other establishments.

3237. How often do clearances take place in Edinburgh between the different Banks?—I do not know.

3238. Do you know the mode in which the clearance is effected?—I do not.

3239. Are not you called upon to pay the balance of the exchange?—If we are called upon to do so, it is in a bill of exchange or order, which settles it, and which does not appear, upon the face of it, to be for that purpose.

3240. What check against an excess of issue of Bank of England notes do you think exists in London now?—In ordinary cases, I should say the wishes of individuals not to retain more money in their possession than they require for present use, forms a limitation to issues.

3241. Suppose the Bank of England were to issue a certain amount of notes in the purchase of exchequer bills, or any other description of Government securities, and those notes should prove to be in excess, what is the check to return them back to the Bank?—The holders of those notes have a right now to go to the Bank of England to demand payment of them in gold which is of intrinsic and mercantile value.

3242. Is it the interest of a person holding a Bank note in excess in his hands, to demand bullion for it?—I conceive excess to consist in people having that in their possession which they do not wish to have; now, if a person has a right to go and demand payment of a note in coin, which is always of exchangeable as well as of intrinsic value, he can sustain no possible loss.

3243. Would it be his interest to hold gold and silver rather than to hold the Bank of England note?—If he can get an equivalent for it, it is a proof of no excess.

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THE RIGHT HON. LORD VISCOUNT ALTHORP, IN THE CHAIR.

Samuel Jones Loyd, Esq. called in; and Examined.

*Samuel J. Loyd,
Esq.*

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3244. YOU are a London Banker?—I am.

3245. Will you state to the Committee, whether you think the effects of the exclusive privilege of the Bank of England, of being the sole issuer of the Metropolis, has been advantageous, or not, upon the circulation?—More advantageous than a multiplied number of issues would have been.

3246. Do you consider it so with reference to the Public generally, or with reference to the interest of the Bankers?—I consider it so on both accounts.

3247. Would not a competition with Banks of issue in the Metropolis interfere materially with the business of private Bankers?—Very materially, I conceive.

3248. In what way?—It would require a considerable length of time to state the various ways in which it would produce practical inconvenience in the working of business. London is the centre in which all the money transactions of England are ultimately adjusted, and such being the case, I conceive it to be absolutely necessary there should be one circulation, in which all parties throughout the country may adjust such transactions. If you have more than one circulating medium in London, there will of course be differences of opinion as to the solidity of the different issues, and different degrees of partiality towards the different concerns issuing them, which would create great confusion. In case parties in the country wrote to their agents in London to send them money into the country, they would not know in what issues to send it, and they would have standing instructions from different parties to send the issues of different concerns; the same would be the case in all probability with their London customers; one person would refuse to take payment except in the issue of a certain concern, another would require the issue of a different concern, which would again create interminable confusion. In addition to that, I apprehend any adjustment of their transactions by the different Bankers in London among themselves would be almost impracticable, unless they agreed upon some one issue in which it should be effected. I do not know in what other way they could come to an adjustment. In addition to that, I am inclined to think that the profits of the issue would be found, when divided amongst different concerns, not to be sufficient to enable them to carry it on.

3249. Supposing that the Bank of England continuing to have the payment of the dividends of the Public Debt, and their notes continuing as they are, receivable in payment of the revenue, would not that give a preference to the Bank of England notes over the notes of any other Joint Stock Banks in London?—It is difficult to answer that question without knowing more of the nature of the Joint Stock Companies to be created, but it is to be presumed that it would.

3250. If the notes of any one of the Banks had a decided preference from any circumstance of that nature over the notes of another, would that diminish the difficulties to which you have alluded as arising from competition in the Metropolis?—I apprehend that the difficulties might be diminished or modified, but nothing short of a restriction to one circulating medium could altogether remove the difficulties.

3251. Then you cannot conceive any arrangement by which a competition of different Banks of issue in the Metropolis could exist, without deranging considerably the money transactions of the Bankers of London?—I conceive such competition must produce very considerable derangement.

3252. Under the present system, have there, in your experience, been any great fluctuations in the value of the currency?—That is a question which I suppose can only be answered by a reference to the state of the Exchanges and the price of gold.

3253. Is it your opinion that there have been great fluctuations within the last ten years?—Not being conversant with the state of the Exchanges during that period, I feel great difficulty in answering.

3254. Do

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3254. Do you think a competition of Banks of issue in the Metropolis would have a tendency to produce a greater fluctuation than there exists at present, or the other way?—I should think to produce greater fluctuation.

3255. Will you state why?—I think that they would conduct their issues in a considerable degree upon the principle of competition, which would be a new principle introduced into the management of them, and one not having reference to the sole consideration which ought to prevail in managing the currency, namely, the regulation of its amount by the state of the Exchanges.

3256. Would the conducting their issues upon the principle of competition necessarily cause a fluctuation in the amount of the currency?—I think it would.

3257. If any Bank issued more paper than they were properly entitled to, would not that paper be returned back upon them immediately?—In all probability it would soon be returned back upon them, but I conceive that the very circumstances which produced that return of the paper would be part of the injurious effects produced by the improper issue.

3258. Do you think that the establishment of Joint Stock Banks of issue in London could have any effect upon the price of bullion, as it might be naturally supposed to increase the demand for it?—I conceive, certainly, that a multiplied number of Banks in London issuing paper currency would require a greater quantity of gold as a reserve for the adjustment of their issues.

3259. Would that have the effect of raising the market price of gold by creating a greater demand for it?—I presume it would.

3260. Do you mean that the whole circulation of paper would be larger, and therefore a greater reserve of gold would be required, or that a greater proportionate reserve of gold would be required, the quantity of paper being the same?—I mean that a greater quantity of gold would be required to manage the same amount of paper circulation upon that system than upon the present system.

3261. Would not a certain deposit of gold in various Joint Stock Banks be an advantage to the Public in case of any panic?—That is a question dependent entirely upon the fundamental principles upon which the paper currency is to be henceforth established in this country.

3262. Would it not be useful, in the case of discredit of the paper circulation, that there should be a considerable quantity of gold in the hands of Joint Stock Banks?—The greater the quantity of gold, of course the greater the means of meeting any discredit of paper; but that advantage would, upon the supposition, be purchased by the partial sacrifice of the benefit which a paper currency is intended to produce, viz. the transference of capital from the unproductive state of bullion to a productive state.

3263. Is there any restriction against the London Bankers issuing notes?—I cannot answer that question.

3264. There being no prohibition, does it not follow that their not issuing notes now is entirely voluntary on their part?—I presume it does.

3265. As the London Bankers do not find it advantageous to them to issue notes, why should Joint Stock Banks, if they were established with a power to do it, not be restrained from making that issue by the same reasons that operate upon the London Bankers?—I do not know that they would not be so restrained.

3266. Should you conceive that if Joint Stock Banks were established in London, without the power of issuing paper, that would produce the inconveniences to which you have alluded before?—Not the inconveniences attending the confusion produced by multiplied issues of paper, of course.

3267. Do you think they would be productive of any inconvenience?—I think the Joint Stock Banks would not be found to meet the convenience of the Public so well as private Banks.

3268. Do you think that the effect of establishing such Joint Stock Banks would materially interfere with the private Banks at present existing?—Unquestionably it would interfere with them.

3269. Would it interfere to such a degree as to prevent their carrying on their business on the same principles as they now carry it on?—It would, I conceive, diminish the number of London private Bankers considerably; and the important question is, whether the diminution would be produced by the destruction of the weaker class of London Bankers, and leaving the more responsible in full action, or whether it would drive out of the field the more responsible, and leave

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the competition to be carried on by the Joint Stock Banks and the feeble class of private Bankers; I am inclined to think it would produce the latter result, and for this reason, it would of course diminish the satisfaction with which private Bankers carried on their concerns; the increased competition and rivalry would render the business less satisfactory to them; and I think it probable that those who carry on their business from an attachment to old concerns, and feelings of that description, and who, from their circumstances, are independent of the profits of business, would be more likely to give up in consequence of the competition, than those parties who in fact must persist in the business to secure their maintenance.

3270. Do not you think that would also be the effect of the Joint Stock Banks in the country?—I have that impression, certainly.

3271. Is it your opinion that Joint Stock Companies established in London could conduct their affairs as much to the convenience of their customers as private Bankers now do?—I think not.

3272. You are connected with a house in Manchester?—Yes.

3273. What effects have the Joint Stock Banks produced upon the private banking of Manchester?—They have been the means, in some degree, of interfering with their business by the diminution of it.

3274. Are you sufficiently acquainted with the nature of the business of the Joint Stock Companies to state it to the Committee?—Not with the details of their business in the country.

3275. Has it come within your observation that a large proportion of the notes discounted with them are again discounted by them in the London market?—I have no doubt of it at all.

3276. Then they are in point of fact trading upon London capital, and not confining their accommodations to their own subscribed capital?—They are in many instances carrying on their business by means of re-discounting in London, and obtaining London funds upon those bills which they had previously discounted in the country, not holding them on their own account.

3277. Should you not infer from that, that they have not materially succeeded as Banks of deposits?—Certainly.

3278. What interest does your house give at Manchester upon deposits?—Two and a half per cent.

3279. Do you know what the Joint Stock Company give?—No, I do not.

3280. Do you conceive that the effect of the Joint Stock Company at Manchester has been to create a larger amount of currency at Manchester than was required for the trade carried on there?—I hardly know how to decide what is the test of a larger currency than the trade requires.

3281. Do you think there has been any large demand for gold in Manchester since the establishment of the Joint Stock Bank?—I am not aware that there has been any unusual demand for gold since that event.

3282. Is there more than one Joint Stock Bank at Manchester?—There is one, and a Branch of another establishment, which ranges over a great district of country.

3283. Are you aware whether there is any difference between the manner in which that Joint Stock Bank conduct their affairs in Manchester, and that in which your house conduct theirs; are they upon the same plan and principle?—I am not sufficiently informed respecting the practice of the Joint Stock Bank to be enabled to answer that question.

3284. You have been asked a question with reference to the quantity of gold that probably would be retained in London, were Joint Stock Companies established; do you think that a larger quantity of gold in the aggregate would be deposited in London than now finds its way to the Bank of England?—That is a question which I feel considerable difficulty in answering, without a great deal more of consideration than I can give to the subject at the moment. My first impression is, that there would not; because I think the Joint Stock Companies would not keep themselves so well protected as the Bank of England.

3285. Does your house discount again in London those bills which have been previously discounted by you for your customers in Manchester?—Never.

3286. Then that forms the distinction between your mode of doing business and that of the Joint Stock Company at Manchester?—Certainly.

3287. Do

3287. Do you know the capital of the Joint Stock Banking Company at Manchester?—Not at all.

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3288. In your experience, have you found it unusual for a Country Banker to re-discount bills in London which he had discounted for his customers in the country?—It is not an unusual thing, certainly; but we do not consider it to be the act of a banker of first-rate character and conduct, by any means.

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3289. As you have had a very general connexion with Country Bankers, do you, or do you not, believe that it is the general mode in which Country Bankers conduct their business?—Certainly not.

3290. Supposing that there were no notes circulated in London but notes made receivable in payment of the revenue, in virtue of a similar arrangement with each of the Joint Stock Banks as is now made with the Bank of England, do you conceive that the same inconvenience in your transactions with your customers, and in your settlements with your brother Bankers, would be experienced as if the notes were not so receivable in the revenue?—If the different currencies of London were so arranged that there was the same degree of confidence in them throughout the whole country, and there was no degree of partiality in any class of the community to any one establishment more than another, so that in point of fact every body throughout the country agreed to take them indiscriminately, then many of the inconveniences of detail would be removed.

3291. Do you not conceive that their being all receivable in the revenue would go a great way towards putting all the paper, in point of credit and popularity, upon a par?—It would to a considerable extent, certainly, but it would depend very much upon the grounds upon which that was done; if it was done by means of the Government taking merely securities for itself, it would not give satisfaction to the Public; if it was done by the Government taking such security as would render the solidity of the concern beyond all question, then it would go a great way.

3292. Would it not be sufficient if the Government had in their hands sufficient to pay the notes issued?—If Government held itself ready to discharge the notes issued, I presume the confidence in them would be the same.

3293. Supposing the Government made itself liable to the extent of the security given?—Then the question would be, whether the security given went to the extent of the issues made.

3294. The question supposes that the capital of the Bank was lent to the Government?—That would be appropriating the whole of the security of the Bank to the payment of its notes, and leaving the depositors of the Bank unprotected.

3295. Would that insecurity of the depositors affect the security of the notes?—It would not affect the security of the notes, but it would totally destroy the only consideration favourable to a Joint Stock Bank, namely, extended security for its depositors.

3296. Supposing a Joint Stock Bank to exist in London, the notes of which the private Bankers of London should agree amongst one another to take in payment one from the other, as they now take the notes of the Bank of England, would not that give a general circulation to the notes of that Joint Stock Bank?—It would tend that way, undoubtedly; the more extensive the agreement among the community to take certain issues, the more extensively and easily those issues would circulate.

3297. Might not a Joint Stock Bank be established by the concurrence of numerous private Bankers, the paper of which would have a circulation in London, attended with equal facilities of circulation as the notes of the Bank of England?—I do not feel myself more competent to answer that question than any one else present.

3298. Supposing a Joint Stock Bank in London issued notes which other Bankers did not pay away in discharge of demands upon them, and a note of such Bank was brought to your office by your customer, would that give you more inconvenience than if a cheque on such Joint Stock Bank to the same amount were brought to your office?—I conceive that it would not.

3299. Supposing a note of 100 *l.* of Messrs. Drummond was paid into your hands, would that occasion you more inconvenience than a cheque upon Messrs. Drummond for 100 *l.* would occasion?—It would not.

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3300. Would you not go to Messrs. Drummond to receive in some other currency payment of that note of 100 l.?—It is quite obvious that in point of fact, so far as the use of it is concerned, it is not, upon the supposition stated, a part of the circulating medium, but it is a cheque.

3301. Supposing that Joint Stock Banks were established in London as Banks of deposit only, and not Banks of issue, in what way would the Public be inconvenienced or injured by them?—It does not appear to me that they would be inconvenienced at all.

3302. And if the Public preferred them to private Bankers, it would be because they answered the purpose of the Public better?—The only inconvenience that occurs to me, is that which I have already alluded to, namely, that the effect of such a system would probably be to drive the more responsible, and therefore the more beneficial class of private Bankers, out of the trade, and to leave such private Banking business as the Public may require to be done by inferior persons.

3303. Would not the sole advantage that the Joint Stock Banks would have over the private Bankers, be the amount of their capital, and the consequent credit they would have?—The advantage in point of capital would of course depend upon the extent to which the Joint Stock Bank possessed capital, compared with the private Banker. The advantage they really have at present, is in the extensive distribution of their shares, which gives them when they first come out an artificial degree of prosperity, which I apprehend, when their adaptation to public convenience comes fairly to be tried, they will not be found to retain.

3304. Whatever their advantages may be, real or supposed, to the Public, would they not be more successfully opposed by houses of large capital than by houses of small capital?—Certainly, if houses of large capital think it worth while to enter into the contest.

3305. Supposing the houses of small capital were in the contest with the Joint Stock Bankers driven out of the business of Banking, would there not be more room for the houses of large capital, and more benefit to them continuing the business?—I do not apprehend that the small Banks would be driven out of the competition, but that they would be left in competition with the Joint Stock Banks, and that the business of private Banking would be done in an inferior manner.

3306. Do you think that any Joint Stock Company can conduct its business with the same degree of caution that a private Banker does?—I think that Joint Stock Banks are deficient in every thing requisite for the conduct of the banking business, except extended responsibility; the banking business requires peculiarly persons attentive to all its details, constantly, daily and hourly watchful of every transaction, much more than mercantile or trading business. It also requires immediate, prompt decisions upon circumstances when they arise, in many cases a decision that does not admit of delay for consultation; it also requires a discretion to be exercised with reference to the special circumstances of each case. Joint Stock Banks being of course obliged to act through agents and not by a principal, and therefore under the restraint of general rules, cannot be guided by so nice a reference to degrees of difference in the character or responsibility of parties; nor can they undertake to regulate the assistance to be granted to concerns under temporary embarrassment by so accurate a reference to the circumstances, favourable or unfavourable, of each case.

3307. Would not you add to that the degree of secrecy which is desirable to be preserved in banking concerns?—Undoubtedly.

3308. It being stated that the deposits in the hands of the Bank of England have greatly increased since 1825, what do you think has been the reason for that increase?—Want of confidence in the private Bankers, produced by failures.

3309. Is it not a great public inconvenience that the Bank of England should have such a large amount of deposits in its hands?—I feel some doubt in answering that question.

3310. How do you think such deposits would have been employed if they had been in the hands of private Bankers?—They would have been employed either in investments for the sake of making interest upon the money, or in accommodation to their customers.

3311. Do you think they are employed to the same extent in affording facilities to private traders, in the hands of the Bank, as they would be if they were in the hands

hands of private Bankers?—They are not so directly employed; but it is an important and difficult question whether circuitously the same result is not produced.

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3312. Will you explain what you mean by “circuitously?”—I mean that the Bank of England does not retain that money in a dead state in its coffers; it throws it into the money market, and the money passes from hand to hand till it gets into some profitable employment; and I doubt whether that does not produce in the end as beneficial a result as if it had been directly so applied.

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3313. So long as the rate of interest charged upon discounts by the Bank of England is higher than the market rate, must not those deposits be employed in other securities than mercantile bills?—Certainly they (the Bank) cannot employ it in the discount of bills, whilst their rate is higher than that of other persons.

3314. Might not a state of things arise, in which it would be a great public inconvenience that so large an amount of the capital of the City of London should be invested in Government securities, rather than be in the hands of other Banks for the benefit of the mercantile world?—I do not see any reason for such apprehension.

3315. Do you think it likely that the Bank of England would invest their capital, or the deposits belonging to their customers, in Government securities, yielding two or two and a quarter per cent., if they could employ them in discounting bills of exchange at the rate of four per cent.?—I should presume not.

3316. Would any inconvenience arise to the Public by the Bank so employing their deposits in the discount of bills; would not the effect be the same to the Public whether that money was employed by private Bankers or by the Bank of England?—I apprehend that a certain sum of money employed in the discount of bills, would produce the same result, through whatever hands it is so employed.

3317. Do not private Bankers lend for a limited time upon securities, which the Bank of England would not take for an advance of money?—Private Bankers certainly occasionally enter into transactions that the Bank of England would not enter into.

3318. Is it advantageous to the Public that some party should enter into those transactions?—I conceive it is.

3319. What inconvenience would arise to the Bank of England if in their discounts they were to follow the market rate of interest?—I am not aware of any inconvenience; it seems to be the obvious common sense plan.

3320. Do the Bank of England follow that plan?—No, they are generally above the market rate of interest during peace.

3321. What do you consider to be the present rate of discount upon first-rate bills?—From three to four per cent., according to circumstances.

3322. Do you know what rate of discount the Bank of England charge?—Four per cent.

3323. Then there is very little difference between the rate charged by the Bank of England and that charged by private Bankers?—The private discounters charge less than the Bank of England.

3324. But not considerably?—Sufficiently so to produce the result, that the bills go to other parties rather than to the Bank of England.

3325. Do the private Bankers discount to their customers generally below the Bank?—Not generally.

3326. Is not the general rate of interest charged by the Bank of England higher than the general market rate of interest at present; and has it not been so for a considerable time past?—The rate at which the Bank has discounted for several years past, has been, upon the average, higher than the general rate of discount.

3327. Will you state what is the system of Banking in Manchester?—Upon money deposited with them, Bankers at Manchester allow two and a half per cent.; the trading accounts are conducted upon the principle of charging and allowing interest upon every transaction, upon both sides of the account, at the rate of three per cent., charging a quarter per cent. commission upon the amount of the payments made; in addition to that, they occasionally discount bills as insulated transactions, the rate of which varies according to circumstances, and there is no fixed rule.

3328. Are the bills they discount, bills upon Manchester?—On Manchester or anywhere else; such bills as a Banker may think it his interest to take.

3329. Do you mean bills upon London?—Most frequently bills upon London.

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3330. Are the Bankers in the habit of giving liberal accommodation to their customers?—Certainly.

3331. What does the circulation of Manchester consist of?—The circulation of Manchester consists of Bank of England paper, and a great quantity of payments are adjusted in Manchester by bills of exchange.

3332. But there is no local issue?—None at all.

3333. Will you state the advantages which you conceive the Public may have derived from the establishment of the Branch Bank of England in Manchester; did it not immediately cause a reduction of the rate of interest?—Previous to the establishment of the Branch Bank of England, the trading business was carried on upon the terms of 4 per cent charged upon each side of the account; and I forget whether the reduction of the allowance of interest upon deposits was concomitant with the establishment of the Branch Bank of England, or not.

3334. Do you call to mind any important facilities in the transaction of business which the Bank of England has afforded to the Public at Manchester?—I am not very competent to speak to that, not being continually resident in Manchester.

3335. Does not the Branch Bank give the manufacturers and traders in Manchester access to the London discount market?—It facilitates the transfer of money from London to Manchester; it takes upon itself the risk of the transfer of gold and Bank notes from London to Manchester.

3336. Will you state what advantages you think the Branch Bank at Manchester has afforded to the Public?—I feel great difficulty in stating that; the terms of business were lowered about the period of its establishment, but I very much question whether that was not the result of a general fall which was then taking place in the interest of money throughout the country, rather than of the establishment of the Branch Bank; it certainly facilitates the conveyance of the circulating medium of London into Lancashire; and I think the Public get money transferred in that way upon cheaper terms than they did before.

3337. Do you think that the commercial dealings of the district have been established upon a sounder footing since the Branch was established?—I do not think any change has been made in that respect.

3338. Do you think the system of private Banking has been improved by the establishment of the Branch Bank?—No, I do not think it has undergone any material alteration in principle.

3339. You do not think that before the establishment of the Branch there, the private Banks were somewhat too lavish in their accommodation to their customers, and that since they have become less so, and that the trade has been thereby benefited?—The accommodation granted by Bankers generally, and in short all transactions founded upon confidence, were unduly extended during the years 1824 and 1825; and subsequently to 1825 and 1826 they were materially contracted; the Branch Banks were established at that period, but I doubt whether the diminution of accommodation on the part of the Banks was the result of the establishment of the Branch Bank.

3340. Do you not think that it tended to the substitution of cash dealing for credit dealing, and thereby placed the trade upon a sounder footing?—I am more inclined to attribute that change to the increased facility of obtaining discounts in London, and the increased facility of converting bills of exchange into money at a much lower rate than could be done formerly.

3341. To which the establishment of the Branch Bank has contributed?—It has contributed in so far as regards the sending of money from London to Manchester, but I think not beyond that.

3342. Will you state wherein the Branch Bank has interfered with the private Bankers?—I do not think it has very materially interfered with them.

3343. Have you not found that several of your best customers, who formerly discounted their bills with you, now send their bills directly to a bill broker in London, who discounts them at a lower rate than they could be discounted at Manchester, and pays the proceeds into the Bank of England for his credit with the Branch Bank at Manchester?—That process has certainly taken place since the establishment of the Branch Bank; but I refer it again, as I did before, more to the effect of a reduction in the general rate of interest, and the many increased facilities of obtaining discounts in London, than to the establishment of the Branch Bank, though the Branch Bank has in some degree facilitated it by facilitating the transference of money from London to Manchester.

3344. Has it not been the medium without which this would not have been effected?

effected?—No, it is effected in many instances where Branch Banks do not exist.

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3345. Does the Branch Bank discount at a lower rate of interest than your house at Manchester?—I do not know, I believe not.

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3346. Then your impression is, that the establishment of the Branch Bank at Manchester has not materially interfered with the business of private Bankers?—It has interfered, but I think not very materially.

3347. Will you state what accommodation the Branch Bank has afforded to the private Banker?—It conveys from London to Manchester the cash he may require, instead of leaving to him the trouble and risk of doing it.

3348. Were not that trouble and risk very great?—Considerable.

3349. Can you state the expense which the conveyance of gold from London to Manchester was to the Banker?—I do not recollect the charges we paid.

3350. Does the Bank make any charge for supplying the Bankers at Manchester with Bank notes and gold?—I believe not.

3351. Is not that supply weekly to an immense extent?—To a very large extent.

3352. Can you state in what mode it is effected?—A Banker in London pays a sum of money to the Branch Bank Office, to go to the credit of any party in the country where the Bank of England has a Branch, and the party in the country applies in course of post for the money, and finds it there at his command.

3353. Has this enabled the private Bankers at Manchester to hold a smaller reserve of cash and Bank of England notes than they did previously to the establishment of the Branch Bank?—I do not think it makes much difference in that respect.

3354. Do you think that a private Banker could derive any profit from an establishment upon the system of the Branch Bank at Manchester?—I am sure he could not; I am very much puzzled to know how the Bank itself pays the expenses of it.

3355. Is it the practice of the Banks at Manchester to charge a commission, besides the interest, upon bills for discount?—Interest is charged and allowed upon all transactions on each side of the account; a quarter per cent commission is charged upon all payments made.

3356. Supposing a customer were to come to you with bills, and ask you to discount them, would you charge him a commission beyond the rate of interest?—Not as a simple discount transaction.

3357. Was it customary to charge a commission upon a discount transaction prior to the establishment of the Branch Bank?—Discount transactions are a custom that has grown up within the last six or seven years, since the comparative cheapness of money has arisen.

3358. What interest do you charge upon merchants accounts, when they overdraw them, at Manchester?—We do not make any difference in the rate of interest.

3359. Then your sole profit is the commission?—Yes.

3360. Are the Committee to understand that it is your opinion that the establishment of the Branch Bank at Manchester has been the means of lowering the profit of the private Bankers, by their being obliged to transact the business at a lower rate of profit?—That question I have in a great measure answered before; there has been a lowering in the rate of profit, which some persons attribute to the effect of the Branch Bank, but I am myself disposed to attribute it to the fall that was then taking place in the value of money, and without that concomitant circumstance, I do not think the Branch Bank would have produced that result.

3361. Might it not have been owing to the establishment of the Joint Stock Bank?—No, it took place previous to the establishment of the Joint Stock Bank.

3362. Are the Bankers at Manchester that have issued the notes of the Bank of England only allowed any profit by the Bank in consequence of doing that?—No.

3363. Is specie more abundantly in circulation at Manchester now than it used to be before the establishment of the Branch Bank?—I believe not, our payments in specie are as nearly as possible the same as they used to be.

3364. You are aware that a great amount of specie is required every week for the payment of wages at Manchester?—A very large amount.

3365. Can you give the Committee any idea of the amount?—No, I cannot;

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but so far as regards the issue of our own house, I should say that upon the average we pay about 25,000 sovereigns a week.

3366. Is that a fresh supply of sovereigns in each week, or do you obtain it from the circulation of the place?—We require a continual fresh supply, but not to that extent; I think the fresh supply requisite will average something less than 10,000 a week.

3367. Before the abolition of the 1*l*. notes, were those payments generally made in 1*l*. notes?—Entirely.

3368. Was the amount then about the same?—Quite as large.

3369. You say that about 25,000 a week is what you are called upon altogether to pay, and that about 15,000 come back into your hands; what do you apprehend becomes of the remaining 10,000 sovereigns?—When the 1*l*. notes were in circulation, we could trace it pretty accurately, and I believe the course to be the same with the sovereigns; they are paid principally in wages. The work people lay them out in clothing and provisions, and those sovereigns pass to the provision dealers, and thence into the districts from which the provisions are supplied; the sovereigns then pass into the hands of the Country Bankers in those districts, who either send them up to London or return them to Manchester, as may be most convenient to themselves.

3370. It does not follow, then, because you are obliged to have 10,000 sovereigns weekly from the Branch Bank, that the amount of the circulation in Manchester is continually increasing at the rate of 10,000 a week?—No, I do not apprehend it is increasing at all.

3371. Do not the Bank of England notes and gold form almost the entire circulation of Manchester?—Yes.

3372. Is there any reason, in your opinion, why they should not form the circulation throughout the country?—I have heard some objections stated, which may have weight in them. Many persons think that if the local circulation of the Country Banks, particularly in agricultural districts, was done away, the Country Bankers would not carry on their business any longer; that I apprehend would be a severe injury to the country. I think that in mercantile and trading districts, the circulation of the Bank of England might be sufficient for all purposes.

3373. Is there any difficulty in Manchester in supplying the manufacturer and the trader with any accommodation he may reasonably demand?—None whatever.

3374. Do you see any reason why it should be otherwise in other parts of the country?—I think there may probably be a very great distinction between agricultural districts and trading districts.

3375. Is there no local issue in any part of Lancashire?—None of any importance.

3376. Supposing the local notes were to be withdrawn even in trading places, would it not be necessary to transmit a considerable portion of capital to London, for the purpose of buying gold or Bank notes to substitute for those notes?—I apprehend that those banking concerns that carry on their circulation upon sound principles, at all times reserve capital in London adequate to meet their circulation, and that the capital produced by the issue of their notes is not invested in the working of their business.

3377. Supposing that they have available securities in London to the amount of the paper circulation, are not, under present circumstances, those securities available also for their deposits and drawing accounts?—Certainly.

3378. Do you conceive that if they were obliged to use those available securities for the purpose of substituting gold or Bank of England notes for their circulation, they would not be obliged to transmit also a considerable sum for the purchase of available securities to meet their deposits and drawing accounts?—I have no personal experience myself of the system of working a local circulation, and therefore I am a very bad authority upon such points.

3379. Do you suppose it possible that any Banker can have a large amount of deposits and liabilities in the shape of drawing accounts, without having some reserve in London to meet contingencies and fluctuations?—Quite impossible.

3380. Must he not raise that capital by calling in some of those investments which at present give considerable accommodation to persons in his neighbourhood?—As I said before, I am speaking rather out of the line of my own experience, not having had anything to do with the workings of a local circulation. My idea is, that the management of the issue of notes is a business entirely distinct

distinct from other banking business, and that everything connected with it ought to be kept perfectly distinct from the other affairs of the Bank; that whatever be done by the issue of notes, and whatever funds are reserved for meeting that issue, is entirely independent of the rest of the business which may be strictly called banking business.

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3381. You were understood to state, that in trading districts the local notes might be recalled without inconvenience, although they could not in agricultural districts?—I do not think I have stated that; of course an exchange such as that must produce considerable inconvenience; but what I stated was, that I should think the trade of the mercantile and trading districts might be carried on with no other circulation than the circulation of the Bank of England, but no doubt the change would be extremely inconvenient whilst it was taking place.

3382. Supposing it is decided that there should be only one Bank of issue in London, have you considered the present system upon which the Bank of England conducts its affairs, with a view to consider whether any improvements or alterations ought to be made in that system?—The first great essential alteration which I conceive to be absolutely requisite, is a full and regular publication of their Accounts.

3383. Do you mean by that, a publication of the amount of bullion in their hands?—Certainly.

3384. Do you think that the publication of the amount of bullion in their hands could be made with safety to the establishment?—I think with less danger than the suppression of it.

3385. Do you apprehend that if the Public were aware of the amount of bullion in their hands, it would not, on some occasions, produce danger to the establishment of the Bank?—I apprehend there may be states of the bullion of the Bank, in which, if the knowledge of that fact came out in an insulated manner, in the midst of a state of previous ignorance and want of information it might produce very serious results, but that if information was systematically communicated, and the Public were taught to reason upon its effects, as they would be through the discussions that would take place in the public journals and by other means, there would be more confidence in the state of the Bank (always assuming that the Bank is so conducted as to deserve confidence) than there can be whilst that information is suppressed.

3386. Do you think that the effect of the publication of the Accounts would be in any degree to prevent the amount of bullion in the hands of the Bank falling so low as to endanger that establishment?—I think the publication of the Accounts would tend to produce that effect.

3387. When you say that you think it would be expedient to have a publication of the store of bullion in the hands of the Bank, do you refer to a publication of the store of bullion in the hands of the Bank at the time of publication, or at any time previously?—My answer was not given with reference to the consideration of that point; it was given solely upon the general consideration, that I think a great deal of unnecessary alarm often exists about the Bank from the want of that information which, if the Public possessed it, would give them confidence with respect to the Bank; and that I also think the knowledge that they must at frequently recurring periods set forth to the Public the state of their affairs, would make the Bank more watchful in keeping their affairs in a proper condition, and more cautious as to entering into any transactions of a questionable nature.

3388. Would the publication of the store of bullion, three or six months after the time, be sufficient in your opinion to produce those beneficial effects which you anticipate from such publication?—I should like to take time to consider that question; my first impression is, that it scarcely would be sufficient.

3389. Would it not be better than no publication at all?—Unquestionably.

3390. If an objection arose to immediate publication, from the opportunity it might give to capitalists knowing the state of the Bank's treasure, to operate upon the price of gold in the market, would not making the publication retrospective, after an interval of three or six months, remove any objection arising from such causes?—As I do not feel the force of the objection, I cannot well say what would remove it.

3391. Would not the objection which has been alluded to be removed, if the Bank were to state merely that their mercantile securities and bullion were so much, instead of giving those two items separately?—I do not understand the nature and force of the objection sufficiently to say what would remove it.

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3392. Are there any other alterations in the system of the management of the Bank which you would suggest, or of the conditions upon which the Charter should be renewed?—Nothing beyond that occurs to me.

3393. Supposing the Bank Charter to be renewed, do you think that any change ought to take place in the method of the election of the Directors?—The method, as it now works in practice, I think is not a good one; but a power exists in the Proprietors of Stock to change it, if they chose to exert it, and I am surprised that they do not.

3394. Do you think it is a safe method of electing Directors, to allow the election to remain in the hands of the Proprietors of Stock alone?—I am not prepared to defend that system against all possible objections, but I doubt whether the objections are sufficient to make me say that I think it ought to be altered.

3395. Is not the Bank of England as much an engine of Government, and an establishment performing the functions of Government, as it is an engine performing the functions and connected with the interests of a private company?—The Bank of England is a body issuing currency, which is the public currency of the country, and at the same time performing Banking business.

3396. Is it not essential that the Public should have some security that the interests of the country are properly managed by the Bank Directors?—If the Bank is to have the exclusive management of the paper issue of the country, it is essentially requisite that the Public should have the best security for the due management of that currency.

3397. Presuming that the Bank has the exclusive privilege of issuing the currency of the country, would you not say that Commissioners elected from the general body of the Bankers and Merchants in the country, and also a person appointed by Government to control the operations of the Bank, would be highly beneficial to secure to the country a proper management of their affairs?—I cannot undertake to say how that would work; it appears to me that the present system, as it has been latterly administered, has afforded due protection to the public interest, and I think it approaches so nearly to the administration that ought to take place, that I should not be disposed to hazard any great changes for the purpose of doubtful improvement.

3398. To what period would you confine yourself when you say “the last few years”?—I should say that I think there has been a marked improvement in the last eight years, more particularly in the last five or six years.

3399. Has there not been a great change in the principle upon which the affairs of the Bank of England have been conducted within the last 20 years?—My experience does not go back so far as that.

3400. As far as your experience goes back, have you not, so far as general report goes, had reason to believe that the principles upon which the circulation of the country has been conducted by the Bank of England, have undergone very great changes?—I think considerable changes.

3401. Is it desirable that those principles should be subject to great vacillation and change?—Considerable vacillation would certainly be very pernicious; but it is better that changes should take place with increasing intelligence, than that we should remain as we were.

3402. May not the Bank, as a Company in which a great body of Proprietors are interested, have a separate interest from those of the country at large?—I conceive such a thing to be possible.

3403. For instance, in the advances that were made to Government upon the Dead Weight, do you conceive that was a beneficial arrangement for the country?—No, nor for the Bank; I conceive it to have been beneficial, taking a sufficiently comprehensive view, neither to the country nor to the Bank.

3404. Do you conceive that the Bank managed properly in entering into that arrangement?—No, I think it was a very injudicious one.

3405. The election of the Bank Directors at present being nominally in the Proprietors, but in fact in the Directors themselves, is there any other mode that occurs to you by which the election may be rendered more free?—I have never considered that point, and therefore am not prepared to give an answer.

3406. Supposing it were the case that the Directors of the Bank were not the body themselves to recommend candidates for the Bank direction, and did not interfere in the election, but left the choice freely to the Proprietors, would not that be an important alteration?—It would be an important alteration.

3407. Is it your opinion that that would be the means of obtaining a more intelligent

intelligent class of Directors than at present conduct the affairs of the Bank?— I must consider that matter before I give an answer.

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3408. You have stated that you thought the discussion of the affairs of the Bank in public would prevent unnecessary alarm; but supposing from any circumstances the amount of treasure in the Bank was reduced so low, as that persons might be apprehensive that if they did not apply they would not get their notes changed, would any previous knowledge of the affairs of the Bank prevent alarm in such case?—I think it would; it appears to me that the very impressions that exist upon the public mind with respect to the extreme danger of a temporary deficiency of the amount of treasure, are founded upon the want of an adequate understanding of the subject; and if the Public were satisfied, by a continual repetition of evidence presented to them, that the affairs of the Bank were in an unquestionably solvent condition, and that they were wisely managed, that then even the acknowledged fact, that the supply of treasure at the moment was not adequate, would not produce any serious results.

3409. Does that answer apply to the case of a demand for bullion on the part of the Public, arising from political causes, as well as to a demand arising in consequence of the state of the Exchanges?—What I meant was, that if by any accidental circumstance, such for instance as a very unusual and unexpected demand for the conversion of local country notes into gold, should produce such an exhaustion of treasure in the hands of the Bank as to put it out of their power to meet the demand, the immediate effect produced by such a circumstance would not be so serious under the circumstances of a systematic publication of their Accounts, and a general conviction that the concern was really solvent and well managed, as would be produced under the present system, when, from the suppression of knowledge, suspicion is produced, which always exaggerates an evil.

3410. Then do you think that the effect of such a previous publication, and the public discussion that would have ensued, would have been to calm the alarm of the Public at the close of the year 1825, when it was known that the treasure in the hands of the Bank was reduced very low?—I think it would have had a material effect in doing that.

3411. Was not the low state of the Bank's treasure, in the year 1825, almost matter of public notoriety at the time in the City of London?—In the money world of London, of perfect notoriety.

3412. Therefore in fact is it a matter of secrecy when the Bank's treasure is run to a very low amount?—Not on all occasions; they may have been run to a low amount on occasions that I am ignorant of.

3413. But on those occasions on which it is generally believed that the Bank's treasure has been run the lowest, has it not been generally matter of notoriety at the time?—I am inclined to think that it has.

3414. Supposing that prior to 1825 there had been that periodical publication of the Accounts of the Bank of England which you recommend, and supposing that on that occasion they had been obliged to refuse payment in gold till they obtained a supply, do you think that any serious public injury would have occurred?—No, I think a due publication of the Accounts previously would have placed the Bank out of all risk of evil or alarm from the failure of the gold in the panic of 1825.

3415. Should you anticipate a better system of management of the circulation of the country if Government had more immediate control than it has over the circulation of the Bank of England?—I am inclined to think not.

3416. You mentioned, that under a system of greater publicity of the affairs of the Bank, you would expect the details of the affairs of the Bank to become the subject of discussion in the public Journals; did you ever anticipate a time when those public Journals would be agreed in saying that the affairs of the Bank are wisely and judiciously managed?—I should be very sorry to see the time when the public Journals agreed upon any point that was really doubtful or disputable; I should have no doubt, however, that the effect of the discussion would be to produce a right impression upon the Public mind.

3417. If the public Journals should think that the affairs of the Bank were injudiciously managed, might not that do mischief to the Public, and produce danger, instead of leading them right, and giving security to the Bank?—The public Journals is another word for public discussion, and I do not think that that can in the end lead to erroneous conclusions.

3418. Do you mean not temporarily?—I mean that, in general, public dis-

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cussion upon any doubtful point is the most likely way to arrive at a correct and true conclusion.

3419. You said, that when the Public was taught to reason upon the subject by means of the public Journals, it might prevent unnecessary alarm, which occasionally takes place with regard to the affairs of the Bank; now, supposing the publication of the affairs of the Bank should show the bullion of the Bank to be exceedingly low, would any just reasoning on the part of the public Journals tend to allay the apprehensions of men, whose object was to think bullion the only secure money they could hold?—I do not understand the meaning of the last part of the question.

3420. Supposing an apprehension to exist in the minds of the Public that paper generally was insecure, and that no money but bullion was safe; would the desire of persons entertaining such an opinion to convert their paper into gold be diminished by any just reasoning upon the fact that a very small amount of bullion remained in the coffers of the Bank?—It would not; but if the impression that the paper money was insecure was an unfounded one, public discussion would remove the impression; and if it was well founded, public discussion would be the best means of ascertaining the true remedy for so great an evil, and of enforcing its adoption.

3421. Do not you think that the just ground of confidence in the Bank is founded upon the extent of its capital, rather than the amount of its treasure?—Certainly.

3422. Is the extent of the capital of the Bank, as compared with the engagements of the Bank, now a subject of general publicity?—The Public is in possession of some general but not very accurate or detailed knowledge upon the subject.

3423. Is it matter of general publicity that the capital of the Bank is far beyond its liabilities?—I think the impression amongst persons in the monied world is, that the Bank is a solvent concern; but I think a doubt upon that subject exists through a much more extensive class of the community, founded upon the want of sufficient information.

3424. Has it not been repeatedly published?—I am not aware that sufficient information has been repeatedly published.

3425. Would you think that whoever should entertain a doubt of the ultimate solvency of the Bank, would entertain a most unfounded doubt?—I think they would be quite wrong.

3426. But persons might be right who doubted of the capacity of the Bank to discharge its engagements immediately in gold at any particular moment?—Certainly.

3427. Therefore a publication which should show that the Bank was not competent to discharge its engagements in gold at any particular moment, would not allay the alarm of those persons whose object was to obtain immediate payment in gold?—I can only answer that question by going through all the previous questions and answers which have reference to that subject.

3428. Do not you think the publication of the amount would have a tendency to diminish the class that would be anxious for gold?—I think the view I have endeavoured to explain is a very simple one; I apprehend that so long as the Bank is properly conducted, and its affairs are in a solvent state, if the knowledge of that is rendered complete to the minds of the Public, and it is associated with their habits of thinking, that then any temporary circumstance that should derange the supply of gold would not produce either that alarm or that real evil in the country which will be produced while suspicion is generated by the suppression of information.

3429. Would not, then, the repetition of those circumstances which put beyond all doubt the ultimate solvency of the Bank, answer all the purposes which you propose to answer by the publication of the amount of bullion?—I think not; I think no communication of information would be sufficient, so long as there remained a feeling that some important information was suppressed.

3430. Supposing that the information conveyed established most undoubtedly a large surplus of assets in the possession of the Bank beyond all its engagements and liabilities?—That would produce an effect upon the mind of an extensive class, but I apprehend there would be still an extensive class remaining, whose mind never would be satisfied as long as they could found suspicion upon the idea that some information was suppressed.

3431. Do you think that last class would be satisfied if they saw a publication of a small amount of treasure in the Bank, and a large amount of liabilities?—

I think

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I think the more open and candid you are in the publication of evidence, the more extensively you will spread satisfaction where satisfaction ought to exist.

3432. Can you, under any circumstances, obtain security against the apprehensions of such a class of men?—Not against the apprehension of a class of men not pervious to reason.

3433. Do you know whether the Bank of France publishes the amount of its bullion?—I am not informed as to that.

3434. Do you know whether one of the great allegations of bad management on the part of the Bank of France has not been, that its stock of bullion has been kept too high instead of too low, and that a sufficient accommodation has not been afforded to commerce?—I am not sufficiently informed respecting the Bank of France to answer that question.

3435. Is not the existence of a considerable quantity of gold in the general circulation of the country the best preventive of panic, as well political as commercial?—I think it is.

3436. Is it not an unduly low proportion of treasure for a Bank such as the Bank of England to have, if it be not provided for meeting the payment of its notes in times of panic, political or commercial?—I think the principle upon which the Bank should regulate its store of treasure, should be to meet all reasonable and ordinary emergencies; but I can conceive emergencies to arise, either political or even commercial, of such a nature that it is impossible for the Bank to reserve an adequate store, without foregoing all the advantages of a paper currency.

3437. Do you believe that any Bank conducted with profit, can have a supply of gold equal to meet a political discredit?—It is impossible for me to measure the extent of political discredit, but it is quite clear that the paper currency cannot answer the purposes and objects of a paper currency, unless a moderate proportion only of that paper currency is to be in reserve in metallic money.

3438. Is there not this obvious difference between a commercial discredit and a political discredit, that a commercial discredit affects the credit of the establishment itself, and a political discredit proceeds from causes altogether extraneous from the credit of the establishment?—I do not think that a commercial discredit necessarily affects the credit of the establishment itself; I presume that a commercial discredit took place in 1825, which, though it pressed severely upon the treasure of the Bank, was not in any way calculated to shake confidence in the establishment, or to diminish its credit in any respect.

3439. What would you consider a prudent reserve for the Bank to have to meet the demands upon it?—I cannot answer that question without a full knowledge of the affairs of the Bank; it depends entirely upon the experience which the Bank has had of the extent to which the demand has been liable to press upon its reserve during a long course of years.

3440. When in the month of May last a very considerable drain was made at the Bank of England, arising from political discredit, so that the sum remaining was greatly inadequate to that which they generally hold, if that fact had been known, is it your opinion that what remained in the Bank would have been immediately drawn out of it?—If that fact had suddenly come out as a ray of light in the midst of previous darkness, I apprehend it might possibly have produced alarm, but if it had been a fact following in a long series of information, to the course of which information the Public were previously accustomed, I should think it would not create alarm.

3441. Supposing that by calculation the amount of treasure in the Bank had been accurately ascertained, and that one-half of it were withdrawn, and that the balance which might be ascertained by persons who were inquisitive upon the subject was unusually small, might it not have been the case that the whole of the balance might and would have been withdrawn?—That depends upon a variety of considerations; first of all, what were the circumstances and causes which produced the withdrawal of the first half, and secondly, what was the public impression as to the general solvency of the Bank, and as to the management of its affairs; it is quite possible that the remaining half might be withdrawn, but it depends upon those considerations whether it is probable that it would be withdrawn.

3442. If there were no peculiar circumstances otherwise than political circumstances, causing the drain in the month of May last, would not those persons that applied for money at the Bank have carried on their purpose so as to have exhausted the whole of the treasure at the Bank?—I think that if the circumstances which produce a drain of treasure upon the Bank are not such as really tend to endanger the solidity of the establishment, or its power of very shortly providing

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further treasure, the Public, being previously well informed upon matters connected with the Bank issues, would not take alarm at such a drain.

3443. Supposing the drain were to be to the extent of stopping the Bank from paying in specie, would not that circumstance produce great public inconvenience and embarrassment?—I apprehend that an accidental circumstance which should produce an inability on the part of the Bank to pay immediately in specie (provided there was no impression of doubt as to the solvency of the Bank, or as to the goodness of the management of its affairs, or as to the probable prospective state of the Exchanges) would not produce such great inconvenience or alarm.

3444. Supposing a Bank, either public or private, to have been placed from time to time, by various circumstances, in repeated danger from the low amount of its reserve, what would be the course which a prudent and wealthy Banker would pursue under such circumstances as those?—First to inquire whether there was any step that he could take to prevent a recurrence of those circumstances, or, if there were not, to increase his reserved power of meeting them.

3445. What would you think of a course of proceeding, which, without either increasing the reserve or diminishing the liabilities of the Bank, should proceed to cast the accounts of such Bank into a new form, and give new names to the liabilities and securities, and then to say, This Bank is no longer in any danger; would you think that a prudent course?—Of course, the answer to that question, upon the surface of the words, is quite obvious; but I am afraid it is intended to involve an opinion upon something that is not stated. Upon the plain meaning of the words, such a course of proceeding would be absurd.

3446. Do you conceive that any part of what has been called the commercial discredit in the year 1825, consisted in a doubt of the ultimate solvency of the Bank of England?—Not the slightest; and the best proof of that is, that when they had no further sovereigns that they could issue, they luckily found a large quantity of one pound notes, and the Public were perfectly satisfied with the 1 l. notes.

3447. Do you conceive that any part of it consisted in the apprehension that the Bank would not be able to continue its issues in gold?—Certainly not; and the circumstance I have stated shows it.

3448. Do you see any objection to the establishing a Bank in London with a large capital, to be prevented from issuing notes in London, but to be allowed to issue notes throughout the country by its branches?—I anticipate inconvenience and difficulty from any multiplication of issuers of the paper currency.

3449. Would it necessarily follow that if such a Bank were established with such power, the result of it would be ultimately to increase the number of issuers; might not the issues of that Bank take the place of the paper of some existing Banks?—It is very possible that they might; but I think it is a matter of serious question whether such a result would be advantageous.

3450. Are you of opinion that the present system of country banking is quite perfect?—It is difficult to say that I think it is quite perfect.

3451. Do you think it is in a state that requires much amendment?—I should be puzzled to suggest any very important amendment.

3452. Are there not now, as there have been in former times, several Country Banks not possessed of very sufficient capital?—It is to be presumed that what we have known hitherto to be the case, must still be the case.

3453. Might not, then, the establishment of such a Bank or Banks as have been just suggested, in London, produce a desirable result, by taking the place of those Country Banks which have not sufficient capital?—In the early part of my examination I went into a variety of discussions, which I must go over again for the purpose of answering that point.

3454. Do you think the distance round London, within which the Bank of England has now the privilege of preventing any Bank having more than six partners from issuing notes, might be advantageously diminished?—I do not think the particular extent of the district is a matter of much importance either to the Public or to the Bank.

3455. Are you of opinion that it would be the best system of currency to have only one Bank of issue throughout the country?—It is dangerous to give an answer upon a general principle; my opinion is, that such would be the best system; but the expediency of now attempting to make the change is a very serious question.

3456. Would not, in your opinion, the best system that the country could adopt, under

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under present circumstances, be to combine that system as far as possible with the conflicting interests of the private Bankers?—That is my impression.

3457. Supposing there were another Bank established, for issuing notes in the country, with a capital of ten millions, would that lead you to make any difference in your opinion upon the expediency of it?—No, the extent of the capital would only affect the extent of confidence in the solvency of the concern.

3458. You have stated your opinion, that if there were no existing interests to be injured, one Bank of issue would be advantageous in the country; would not the effect of establishing a large Joint Stock Bank in the Metropolis, having Branches in the country, tend to diminish the number of issuers in the country?—I presume it would tend to diminish the number of issuers, but it is open to the objection I stated before, that it would still leave many issuers, and I think the diminution would probably be in the best class of issuers, and that the worst class would still remain.

3459. Do you admit that with a currency such as ours, in which a rise of prices is accompanied by a large increase of issues, and a fall of prices by a large diminution of issues, greater fluctuations of price must take place than would take place with a purely metallic currency?—That question involves a variety of very difficult considerations, which require much more examination than I can now give them, before I venture upon a reply.

3460. Under what system would you conceive it possible to prevent that additional fluctuation of prices which arises out of the present system of banking?—I must refer to my preceding answer.

3461. Might not a great fluctuation of currency take place in the metallic currency with the help of bills of exchange?—I am not prepared to say that it might not.

3462. You are probably aware that it was stated from high authority in 1825, that we were within a very few hours of barter, meaning, that we were within a very few hours of a situation in which there should be no coin and no acceptable paper; do you conceive that representation to have been correct?—I think there were plausible grounds for stating that we were in danger of approaching to something that might resemble that state for a short period.

3463. Do you conceive that we were near a recurrence of what happened in 1797, the necessity of stopping the issues of coin for a time?—We were certainly within great danger of the Bank not being able to issue any more coin at the moment.

3464. Would not such an occurrence have been productive of very great inconvenience, both to the Public and to the State?—It would have been productive of great temporary inconvenience; but I think the inconvenience would have been very transient.

3465. But you think it would have been an inconvenience quite unaccompanied with any doubt of the solvency of the Bank itself?—I think the actual announcement, that the gold was positively exhausted, would probably have produced some alarm about the Bank itself.

3466. Do you conceive that any part of the mischief was owing to the conduct of the Bank, in the year 1825?—I think a good deal of mischief was originally attributable to errors on the part of Government and of the Bank.

3467. Do you conceive that it is a sound system of banking, or if not sound, do you conceive it to be remediable, under which, without any reasonable or existing doubt of the solvency of the principal Bank, the danger of such evils may from time to time be incurred?—I think that such danger must in a greater or less degree exist with respect to any Bank which issues paper instead of gold, unless the whole gold to represent it is kept in store. The evils arising from it I think remediable by what I have already stated, namely, every necessary measure to inform the Public upon the good state and the good management of the Bank issuing such paper.

3468. Is not the extent of the mischief greatly aggravated by the circumstance of the Bank being the paymaster of the interest of the Public Funds, so that any failures upon the part of the Bank must immediately fall upon the public creditor?—I think there is a fallacy involved in that view of the question; if there be an inability to provide gold adequate to the wants of the Public, the consequent inconvenience must fall in an equal degree upon the public creditor, through whatever hands the dividends may be paid.

3469. Was it not the fact, that in 1797 not only the Bank failed in its engagements, but that the Public failed in its engagements in consequence of the Bank's failure,

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failure, inasmuch as the Public paid through the Bank?—In 1797 there was a real difficulty in providing gold, which affected the Government perhaps more than the Bank; whereas in 1825 the difficulty was merely technical, and so far as it affected the Bank, I look upon it to have been very similar to the case of a person who has a number of separate 5 *l.* engagements, and they come upon him to demand payment of them, and he says, I have nothing but a single 100 *l.* note to pay you with.

3470. Did not the State, long after 1797, fail to comply with its engagements to the public creditor, in ceasing to pay in the coin of the realm, or in paper convertible into that coin?—They continued to pay in paper, which they maintained was of the same value as coin.

3471. You have said that the difficulties in 1825 were in part attributable to the Bank; will you explain in what way they were so attributable?—I meant that the previous state of things, the general excitement and enterprise, and the unguarded condition in which both mercantile and banking concerns were found, had been in a great degree caused by imprudent transactions on the part of the Bank, urged principally by the Government. I allude in a great measure to the increase of issues, for instance, the purchase of the Dead Weight, advances upon mortgage, and other similar transactions.

3472. What is your opinion of the effects of the Usury Laws upon Banking?—I think they are inconsistent with sound reason; I think they interfere with the power of obtaining the value for money which it would otherwise bear, and therefore interrupt the free course of transactions.

3473. Have they any injurious effect, when it becomes necessary to limit the quantity of paper in circulation, by diminishing discounts?—Of course when the general value of money is above 5 per cent, they compel you to resort to the refusal of discounts; not being able to raise the rate of discount above 5 per cent, you cannot contract your issue through that source, except by actually refusing discounts, otherwise the rate would be continually raised, and thus a diminution would be produced by that which is the more natural process.

3474. Would not in that way the amount of discount be diminished gradually instead of suddenly, and thereby produce a preparation for the change?—Yes.

3475. Do you think there would be any inconvenience in repealing the Usury Laws, as far as they relate to bills of short date, without repealing them generally?—That is a question I have not considered; I see no reason why there should be, it is only an imperfect measure of good instead of a perfect one.

3476. Would not repealing the Usury Laws, as far as they relate to bills of short date, give to the Bankers this convenience with respect to diminishing their discounts, as much as if the Usury Laws were entirely repealed?—To whatever extent you limit the power of raising the rate of interest, to that extent of course you limit the operation of the principle that is involved.

3477. Would not the Bank be able to raise the rate of interest upon discounts above 5 per cent, if the Usury Laws were repealed as far as regards bills of short date, such as are presented for discount to the Bank?—Of course.

3478. Would not that answer all the purposes, as far as Banking is concerned, of an entire repeal of the Usury Laws?—I think not, as far as Banking is concerned.

3479. As far as Banks of issue are concerned?—I must consider the subject before I answer it; there may be other difficulties, which do not occur to me at this moment; I am not prepared to say that there are not other inconveniences that would still remain.

3480. If the Bank of England was exempt from the effect of the Usury Laws, would not that relieve them in a better mode?—To exempt the Bank of England from the effect of the Usury Laws, would be to exempt them from the inconvenience they now feel under those laws, but it would not exempt the rest of the community.

3481. Would not the repeal of the Usury Laws, as far as the Bank of England is concerned, relieve them from a difficulty which is now imposed upon them in regulating the amount of their issues?—It would relieve the Bank from the necessity, when the general value of money is above 5 per cent, of stopping its discounts altogether, which it must otherwise do, and would enable it to check the amount of its issues upon discount, by raising the rate of interest.

3482. Would not, then, the relieving them from the Usury Laws, enable them better to control the circulating medium of the country, in such a state of things?

things?—It would protect them from that danger which they must otherwise be exposed to.

3483. Would it not allow them to contract more gradually than they can now do?—I think the contraction is not principally made through discounts.

3484. Do you think the Usury Laws have any effect in increasing the embarrassment in a period of distress, like that of 1825?—I think they have.

3485. Is it expedient, in your opinion, that the Bank Charter should exclude Dissenters, such as Quakers and Jews, amongst whom there are many persons most conversant with money transactions on a large scale, from the direction?—No, I think it is quite absurd to exclude any person upon such grounds.

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Sabbati, 7^o die Julii, 1832.

THE RIGHT HON. LORD VISCOUNT ALTHORP, IN THE CHAIR.

Samuel Gurney, Esq. called in; and Examined.

3486. YOU are a Bill Broker?—I am.

3487. Are you connected with the Norwich Bank?—I am not a Partner in the house, but I am remotely interested in a share that is held by my Brother. But I am altogether occupied in my business as a Bill Broker in London, and derive all my advantages in business from it.

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3488. Will you state to the Committee what, as far as your observation has gone, has been the effect of the exclusive privileges of the Bank of England upon the money transactions of the Metropolis?—I think the effect has been beneficial to the money market of London, and to the country generally.

3489. Have you observed considerable fluctuations at different times in the amount of the circulating medium?—Yes, I have observed there have been considerable fluctuations, and considerable effect produced by those fluctuations.

3490. To what did you attribute those fluctuations?—Partly to the management of the Bank itself, and partly to causes operating upon them, out of their own control.

3491. When you say partly to the management of the Bank itself, will you say in what way you think the management of the Bank itself has contributed to it?—I think they have taken steps occasionally for the specific object of increasing the amount of their circulation, by advances on mortgage, by the purchase of exchequer bills, by opening their doors out of the regular course for the discount of bills, and perhaps by other means not within my own knowledge.

3492. Do you consider those fluctuations very disadvantageous to persons engaged in commerce?—They certainly are disadvantageous to some, but by no means disadvantageous to all; when there is a high state of circulation, it has a tendency to lead people, especially incautious people, somewhat out of their depths, the effect of which is exposed when the contrary takes place.

3493. Do you not think that generally any considerable fluctuation in the value of money must be disadvantageous to all persons engaged in commercial transactions?—I do not think it is at all times.

3494. Does it not render commercial speculations very uncertain in their result, and introduce a spirit of gambling rather than of regular trading?—It has that effect to a certain extent, but less so than is generally presumed to be the case.

3495. Then are the Committee to understand that it is your opinion that there is no great necessity for taking any steps to diminish the fluctuations in the value of money?—I do not think there is any occasion to take any such steps, and I have great doubts whether it can be done.

3496. Are you of opinion that fluctuations in money are as common as they were some years ago?—Since the Peace, we have been liable to fluctuations in the value of money, but they have not been, except in one or two instances, under peculiar circumstances, very extensive. Prior to the Peace, the rate of interest being limited by law to 5 per cent, such fluctuations assumed the appearance of increased difficulty.

3497. Does

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3497. Does not the plan of the Bank of England, of advancing money a certain number of days before the quarter day, tend to equalize very much the value of money?—Very materially so.

3498. You think that the preventing of any change in the value of money from one month to another, is beneficial?—It is a great convenience to the money dealers; but whether the mercantile interest has been much benefited by it, I rather doubt.

3499. Do you conceive that the evident difference in the amount of currency between 1822 and 1824, was a gradual fluctuation or a very rapid one?—I esteem it a gradual fluctuation, that is to say, the value of money in that period fluctuated from $2\frac{1}{2}$ per cent to $3\frac{1}{2}$ per cent, which is not much in two years, and very little affecting mercantile transactions.

3500. Are you aware of the prices of foreign produce and various articles in the market, between those two periods?—No, I cannot say with exactness; but it was generally a time of rise in the value of most articles of commerce.

3501. Did not the price of foreign commodities become very considerably enhanced in the beginning of 1825?—That was the case.

3502. Do you conceive that that was merely a gradual advance, arising from a wholesome state of trade and a real demand?—I think such advance did not take place from a wholesome state of trade; there was great excitement through the country, which tended to advance the price of almost every description of property.

3503. Do you not think that that very materially interfered with the prudent management of commercial men, at that period?—It certainly was the cause of injury to many, but the contrary to others.

3504. Do you not think that it was in some measure a cause of the Panic which ensued at the end of 1825?—It was in a measure the cause of the Panic.

3505. Can you assign any other cause for the Panic in 1825, besides that great speculation?—I cannot particularise any other cause; there was great excitement in the minds of people, and what was the true cause it is impossible to state.

3506. If it should be proved that the Bank had made very large advances by means of paper issues to the Government, would not that have had a considerable effect in producing the Panic, by the necessity of contracting that issue which had been previously made?—The extension of their issues at one time, and then the necessary contraction at another, did tend that way; but my apprehension is, other causes were aiding at the same time to produce the effect.

3507. Do you not think that in the case of a renewal of the Bank Charter, it might be very desirable, if it were possible, to take measures to prevent the recurrence of an over-issue of that description?—It may be prudent to take measures to prevent any great over-issue, but it is extremely difficult to regulate it; the high issues, at the time alluded to, very much arose from a long continued importation of gold.

3508. Do you conceive that any other mode could be adopted of controlling those issues, excepting that which naturally arises from their paper being always convertible into gold?—I do not think any other method can be adopted with safety; it sometimes happens that a given amount of circulation will give a feeling of abundance in the money market; and the same amount will in another state of things give a very different feeling, and therefore it will be quite impracticable to fix what shall be on all occasions the right amount.

3509. Do you not think that if there were an excess, the Foreign Exchange would of itself tend to regulate the amount of paper required for the currency of the country, in ordinary transactions?—It cannot be regulated by that alone, because it frequently happens that with an adverse state of Exchanges there may be that extent of transactions in the country and in the Metropolis, that the Exchanges, if allowed to have full operation, would tend seriously to cramp the money market and injure the community.

3510. Does not an adverse rate of Exchange necessarily create a demand for gold at the Bank in return for their paper?—Of course it does.

3511. Would not that have the effect of regulating the amount of paper that was necessary for the Metropolis?—Not at all, because there may be an adverse state of Exchanges, and for a long period, as was the case from September of 1830 to the Spring of this year; but the transactions of the City of London required an extent of circulation as much as it would have done if that had not been the case.

3512. Do you mean to say that the Exchanges remained adverse from 1824 till the

the last Spring?—With very little intermission from September 1830; I may be wrong in saying till the Spring of this year, but certainly till the end of last year.

3513. Do you mean by an adverse state of Exchanges, that gold was going out of the country during the whole of that period?—Yes, I do, from September 1830 to the early part of the current year.

3514. Then do you mean to say that the Exchanges were slightly adverse to this country, but not to an extent sufficient to affect the circulation?—It did affect the circulation, and it raised the value of money considerably.

3515. Do you think it had its origin in commercial causes, or that it was in any way connected with a mismanagement on the part of the Bank, and an excess of issue generally in the country?—It did not in any degree arise from the mismanagement of the Bank of England; it arose partly from the commercial transactions of the country, and partly from the political state of the Continent.

3516. You were understood to state, that if the circulation of the Metropolis was to be regulated merely by the state of the Exchanges, it would produce great inconvenience to the commerce of the Metropolis?—It would produce great inconvenience if that was the only source of its regulation; and I must do the Bank the credit of saying, that in the fluctuations that have occurred latterly, they have evinced judgment and caution in the management of the amount of circulation.

3517. If the effect of an adverse Exchange does not tend to diminish the amount of the circulating medium of the country, will not that adverse Exchange continue without any correction?—It does tend to lessen the circulation of the country; it has that immediate tendency.

3518. Then do you think it must necessarily have that tendency?—It necessarily has that tendency.

3519. Do you conceive that it is the duty of any body that has the management of the circulation of the Metropolis, to try to counteract that tendency?—I think it is their duty to try to counteract it; at the same time they must not pursue that course with such violence as to injure all other interests of the community, which they assuredly would do if they pursued such course with more haste than was prudent.

3520. Would not any endeavour to counteract that tendency have the effect of continuing longer than it otherwise would continue the Exchange against the country?—I think not.

3521. Has not the contraction of the currency a tendency to rectify the Exchanges?—It has.

3522. Would not, then, any thing which prevents that contraction taking effect, have a tendency to postpone the rectification of the Exchanges?—It would, in some degree.

3523. Might it not be the case, that any measure taken by the Bank which should affect the prices of commodities, and create a general effect upon trade by preventing transactions, might delay the rectifying of the Exchanges?—Any proceeding of the Bank that has the effect of lowering, or of increasing prices, certainly operates ultimately upon the rate of Exchange.

3524. Would not, then, an interruption of the transactions of trade which should diminish the quantity of dealing, consequently give fewer opportunities for bills to be drawn upon places abroad, and of course to be offered for sale upon the Exchange, and might not that therefore of itself tend to delay the rectification of the Exchanges?—It would have that effect, certainly.

3525. Would any operations which tended to diminish the price of commodities in this country, have a tendency to diminish their exportation?—I think any thing that tends to diminish the price of goods in this country, tends to lessen the temptation of merchants abroad to send goods to our market, and increases the inclination for sending to our market for the purchase of goods, and of course affects the rate of Exchange.

3526. In cases where the Bank of England have diminished their issues with a view of correcting the Exchange, how does that operate in producing the consequence of that correction?—It produces caution in the first place, in money dealers, and through them to the dealers in goods; this caution tends to a reduction of price, and creates a temptation in foreigners to purchase in this country, and affects favourably the rate of Exchange.

3527. And a reduction in price has a tendency to rectify the Exchanges?—Clearly so.

3528. At what distance of time do you apprehend, from the beginning of the transaction

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transaction on the part of the Bank of England, to diminish their issues with a view of correcting the Exchanges, that it operates upon the price of commodities; is it immediately, or at what distance of time?—It depends altogether upon the extent of the operation; the effect at the time of the Panic was immediate; the value of goods fell considerably, though a large increase of the Bank circulation took place, from particular circumstances, and the Exchanges were very suddenly brought round.

3529. Is it your opinion that the Exchanges are at any time against this country, as resulting from its ordinary commercial transactions?—I am of opinion that our commercial transactions in their natural course do produce an unfavourable state of Exchange occasionally, and at times the contrary; in the very nature of things they fluctuate.

3530. Have not the fluctuations of the Exchanges, since the year 1822, mainly arisen from the transactions in foreign loans, and mining speculations, and transactions of that nature?—Of course they have been powerfully affected by foreign loans.

3531. Is it not your opinion that they, beyond all other circumstances combined, produced that fluctuation?—I think, taking the period from 1822, transactions in foreign loans have had a more powerful effect upon the variations in the rate of Exchanges, than the mercantile transactions of this country.

3532. Is there any measure which the Bank of England could have taken, or can now take, to regulate the Exchanges, when such operations are undertaken by this country?—No other measure, that I am aware of, than by reducing their circulation, and increasing the value of money in this market.

3533. Would that produce the effect?—It would produce a considerable effect; and if the value of money by such an operation rises here above the value in the other money towns of Europe, the effect must be considerable.

3534. Is it, according to your experience, the fact, that the consideration of Exchange has prevented operations, such as the previous question referred to, being undertaken by individuals in this country?—To no greater extent, I think, than the actual value it has upon the operation; when there is an unfavourable state of Exchange, of course it is a much more unfavourable time to enter into such transactions.

3535. Transactions in foreign loans having been undertaken, is it not the case that when the Exchanges are not capable of supporting the periodical payments, that there is an immediate demand upon the Bank of England for specie, or for bullion, and consequently a drain?—When the Exchanges are in that state that a remittance of gold is more favourable than any other, of course it produces a demand for gold upon the Bank, for that or any other object; but it does not excite an internal demand upon the Bank.

3536. Is there any measure which the Bank could take to protect themselves from a drain of bullion, when such transactions are undertaken by capitalists in this country?—I do not think they can take any step to protect themselves, excepting that of reducing the amount of their circulation, and increasing the value of money.

3537. Would that protect them?—Not entirely.

3538. You mentioned that the Panic in 1825 caused an immediate fall in gold, and a sudden turn in the Exchanges; do you recollect any particular circumstances indicating that particular state of things in December 1825?—No particular circumstance.

3539. Do you remember cargoes of goods being re-exported, that had been previously imported?—It did not come within my notice.

3540. You think, however, that the scarcity of money, and the fall in goods that accompanied the Panic, had a favourable effect upon the Exchanges?—It had an effect in altering the Exchanges favourably.

3541. Then supposing the stock of gold in the Bank of England, previously to the Panic, to have been inconveniently low, and that store to have been replenished in consequence of the Panic, might not the Panic itself have been the means of placing the Bank in a situation of security?—So far as the drain upon the Bank for gold, for the purposes of exchange, it clearly had that effect.

3542. You were understood to say that you consider the Exchanges to have been unfavourable during the greater part of the period from 1830 down to the beginning of the present year; would you draw from that the inference that the value of money has been during that period somewhat lower in England than its proper level,

level, as compared with the value of money on the Continent?—I am not certain what has been the value of money on the Continent during that period; it has been a period when the value of money has been increased all over Europe.

3543. Would not you consider that an unfavourable Exchange in this country for a length of time indicates a lower value of money in this country than its corresponding value on the Continent?—It does to a certain extent, but it is not invariably the case.

3544. Can you assign any other cause than that for a permanently unfavourable state of Exchanges?—Other causes may be assigned; the Governments of Europe may require a good deal of specie; there may be also an inclination in individuals to get possession of specie.

3545. Gold having accumulated in the country, having been drained from the Continent, would not you say that the necessary consequence must be that money was lower in value in this country than on the Continent?—Yes, that was the case; but we had a long period of a low value of money in London before that period.

3546. You speak now of the value of money on interest?—Yes, we had a long period of a very low rate of interest in London.

3547. You do not speak now of the value of money as estimated against commodities, but as estimated in interest?—As estimated in interest.

3548. Can you state from what period?—The value of money was two and a half per cent in London up to the end of September 1830, then it rather suddenly jumped up to four per cent, and it has ranged between three per cent and four per cent ever since, rather tending downwards to three.

3549. Has there been any alteration within the last nine months?—The value of money, the latter part of the last year, was four per cent, and since it has been fluctuating from three and a half to three.

3550. Has there been any thing like a corresponding rate of interest in the different capitals of Europe?—I think latterly pretty much so.

3551. Then why should money be sent from London to the Continent, since the value of money, in the sense in which you are now speaking of it, corresponded in the principal towns of the Continent and in London?—There were other causes that made the remittance of gold more advantageous than in any other form; and though it is operated upon by the comparative values of money in the large towns of Europe, it is not by that alone.

3552. Would it be owing to the unfavourable balance of trade?—An unfavourable balance of transaction of one character or another; but it must be always borne in mind that gold on the Continent ranges to a premium; and sometimes the premium is so high that there may be an inducement to send gold without the balance of commercial transactions being against us at that particular period.

3553. You have spoken of a general unfavourable Exchange between London and the Continent; would you think that was an indication of an excess of issue of paper money in this country?—I decidedly think not, because it is in the right course of things that the Exchanges should fluctuate, and should sometimes be in favour of this country, sometimes the contrary. It is quite a mistake for people to suppose that they ought to be in favour of this country without variation.

3554. In what way do you estimate whether the Exchange is adverse to this country or not?—I estimate it by its being worth the while of the merchants in London to remit gold instead of remitting bills of exchange.

3555. Then you do not estimate it, in the case of Paris for example, in the amount of francs and centimes in which it is stated in the return?—Certainly not; it is a fallacious standard.

3556. Combining those figures with the premium which gold may bear in the Paris market, could you not arrive at a correct conclusion?—You would by such combination arrive at a correct conclusion.

3557. Do you know what per centage is sufficient to bring gold from Paris to London?—I think we have enterprising gentlemen in this Metropolis who would under some circumstances import gold with very little profit; I think it would be done if a profit of a quarter per cent was realized.

3558. Including the expenses?—It would not be done unless it produced as much as that, independently of the expenses; but I think the rate of insurance would go for very little in such a calculation.

3559. Would not a half per cent be held to be a sufficient remuneration to parties

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parties engaged in such transaction?—I think it would be considered a good remuneration.

3560. At what do you estimate the expenses between Paris and London?—It costs about one-eighth per cent.

3561. What produces the fluctuation in the agio upon gold in Paris?—It must arise from the quantity, compared with the demand.

3562. Then if gold is demanded in Paris to any great extent, the agio will rise, and consequently increase the rate of Exchange?—It will require a higher rate of Exchange in silver francs to make it pay.

3563. Is not the agio in Paris nearly a test of the comparative value of gold and of silver?—Yes, it is.

3564. Would not the agio in Paris rise if there were any particular demand for gold for foreign purposes rather than silver?—Certainly it would.

3565. Would not that derange the proportions, as fixed by the Mint at Paris, between the value of gold and silver?—It would not derange the proportions, it would alter the comparative value.

3566. If the standard of this country was silver instead of gold, would the figures which have been referred to, indicate the real state of Exchange?—The calculation would be less intricate in case the standard of each country was in silver, but the figures alluded to would be in either case the true rate of Exchange, if correctly quoted.

3567. You have mentioned the Exchanges being adverse from September 1830 to some period in this year; would you consider that adverse Exchange any test of the paper circulation during that period?—That unfavourable state of Exchange was not owing to any unnatural excess of the circulating medium of this country.

3568. What do you ascribe it to?—As I stated before, there had been a long course of Exchange in favour of this country, which in the natural course of events produces the reverse; bullion became scarce and valuable abroad; this, coupled with the political state of Europe, may be stated as two other causes for the unfavourable rate of Exchange.

3569. Then if it did not arise from an excess of paper money, it could have rectified itself without a reduction of the paper money?—I think it would; but the very operation of gold going out of the country does reduce the amount of paper money.

3570. In what manner?—If any merchant is going to export gold, he takes his notes to the Bank of England, and they give him gold for them.

3571. Does that commonly occasion a great demand for discounts?—The effect, if carried to any extent, is to raise the value of money and to create a demand for discounts; and if it raises it above the Bank's price, it creates a demand upon them for discounts.

3572. Would that bring out again the Bank notes which have been taken in for gold?—It would bring out Bank notes to such extent as it was worth the while of the Public to pay 4 per cent for them.

3573. If the Bank had fixed the rate of discount at the market rate of discount, which was lower than 4 per cent, would that have brought out as many notes as were carried in for gold?—If their rate of discount had been 3 per cent, it would, because it would have become very soon worth the while of the money dealers of London to pay 3 per cent for their Bank notes.

3574. Does it not follow, then, that no reduction in the amount of the circulation would have taken place from September 1830 to the Spring of 1832?—To say no reduction, would be saying too much, but no material reduction.

3575. You think that without the reduction that actually took place, the Exchanges would have rectified themselves?—I think that they would, but not so speedily; the Exchanges had continued against us so long, and so much gold had gone abroad, that they would, I think, have come round in natural course; but gold did not become very abundant on the Continent, at least not very cheap.

3576. You are connected with Country Bankers?—Yes.

3577. Did you experience, during the year 1831, that the reserved funds of the Country Bankers, in London, were reduced during the year 1831?—The Country Bankers were generally full of money during the year 1831.

3578. Do you think their balances in London were increased or diminished during the period of the reduction of the notes of the Bank of England?—I did not

not perceive that they were materially affected by the contraction of the circulation of the Bank at that period.

3579. Are you aware of the alteration in the price of exchequer bills during that period?—They fluctuated from 4*l.* premium down to par, or nearly so.

3580. Is that an indication of an increased value of money, reckoned according to the rate of interest?—Certainly.

3581. May it not indicate also an increase in the amount of the exchequer bills floating in the market?—It may indicate that also, but I do not think the exchequer market during the period that has been alluded to was much burdened; I think in this case it has been an indication solely of the alteration of the value of money.

3582. But it might happen that, without any alteration in the value of money, an increase in the amount of exchequer bills in the market would diminish their value?—Undoubtedly.

3583. What should occasion an increase in the amount of exchequer bills during the year 1831?—I do not know there was any increase in the year 1831; but the Bank may have held a larger proportion at some times than others.

3584. Do you happen to have heard, during that period, whether sales of exchequer bills by the Bank did take place?—It was occasionally stated that such sales did take place.

3585. Would that be to effect a reduction of the amount of notes in circulation?—Of course such operation will reduce the amount of Bank notes.

3586. You have stated that the effect of a draft of bullion from the Bank, and the consequent diminutions of the notes of the Bank of England in circulation, would have a tendency to increase the demand for discounts at the Bank?—It has a direct tendency to increase the value of money; but till the value of money has so increased as to be worth the while of the money dealers to pay four per cent, which is the rate of the Bank, it does not increase the demand upon the Bank for discounts; but so soon as the circulation is contracted so far as to make the value of money four per cent or above, it has that effect.

3587. If the value of money rises to four per cent, and that has the effect of increasing the demand for discount, you have stated that that would have a tendency to replace the notes which were sent in by the Public in demand for bullion?—Certainly.

3588. In that case would it not be necessary for the Bank to sell some of their other securities, in order that the draft of bullion from them should have its due effect upon the circulation of the country?—If the case was a severe one against them, that would be the course they would pursue.

3589. Which would be most advantageous to the persons engaged in commerce in London, their selling their other securities in the market, or either raising the rate of discount, or refusing discounts altogether?—Taking for granted that they were compelled to take some severe steps, I think the least disadvantageous would be to sell their other securities; I think the most injurious step would be to refuse to discount.

3590. Would not the effect of the Bank raising their rate of discount to five per cent, be to produce immediately a fall in the exchange of exchequer bills?—Certainly.

3591. Would the sale of exchequer bills be calculated to produce fluctuations in the value of money you have spoken of?—A sale on the part of the Bank of England, of exchequer bills, of course has the effect of lessening their amount of Bank notes, and increasing the value of money.

3592. Would not those fluctuations in the value of money take place even although there were no paper circulation?—I think they would take place, and to a greater extent.

3593. Why do you think to a much more severe extent?—Because the transactions would at times be much more cramped, a circulation of coin not giving nearly the same facilities.

3594. Do you think that it is possible that any system of banking could be established in the country, which would prevent the variations in Exchanges you have stated to exist?—Decidedly not.

3595. What state of currency do you think would be the state that would occasion the least fluctuation; a paper, or a metallic, or a mixed currency?—A mixed circulation has the best effect in this respect. No system of currency can be established that will prevent these fluctuations, they are in the very nature of things; you can no more prevent the value of money rising and falling, or the variations

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variations of the foreign Exchanges, and their consequences, than you can prevent variations in the prices of corn.

3596. In a sound state of the currency, will not those fluctuations that occasionally happen be dependent altogether upon commerce?—Not altogether.

3597. Will they not be mainly dependent upon the natural changes in the value of commodities, foreign and domestic?—Partly, but not wholly so.

3598. Having stated that those fluctuations would be violent, supposing the currency was altogether metallic, and that they would also occur if the currency was altogether paper, do you not think that a mixed state, such as we have now, or one similar to that, is the one most likely to prevent those fluctuations?—I think that such a circulating medium as we have now has the most wholesome effect of any in controlling these variations.

3599. As it is in the nature of the paper circulation that when prices are rising there should be an increased issue of that circulation, and when prices are falling is there not a natural tendency to contract the issue; does not this increased issue of paper, when prices are rising, tend still further to increase the prices, and does not that reduction of paper, when prices are falling, tend still further to reduce the prices; and from those circumstances is it not in the nature of a paper circulation to occasion greater fluctuations than would take place if the circulation were purely metallic?—I think not; a state of increasing prices has a tendency to increase the amount of circulation; a decrease in prices has the contrary effect; but it is an effect that operates more decidedly upon our Country Bank circulation. It does not operate in the same extent upon the circulation of the Bank of England, because their circulation is more fixed in its character, so much of it being represented by a debt due from Government, which does not fluctuate. A Country Banker's circulation fluctuates wholly and solely, in my opinion, with the state of prices and the extent of transactions in his own district, and he cannot increase the amount beyond what is thus called for. It is a mistake, when any people talk of over-issues of Country Bankers, as being under their own control; if they did not issue their own paper, they must, when their district calls for it, issue Bank of England notes.

3600. In what manner, then, would the prices of commodities be affected, if on a rise of prices taking place the Country Bankers did not increase their own circulation, but issued Bank of England notes in the manner suggested in the last answer?—I do not think it would affect prices at all, whether they issued a certain amount of their own notes and added a certain amount of Bank of England notes, or whether they issued the whole amount in their own notes.

3601. In issuing an increased amount of Bank of England notes, do you assume that the number of Bank of England notes in circulation would remain the same, or be increased?—It depends upon the extent of their circulation; at times the amount of the notes issued by the Bank of England is more than comes into operation or circulation; the effect of this is a reduction in the value of money, and very great facilities in money transactions; this low state of money and these great facilities ultimately produce an extension of the amount of notes that come into operation, and extension of transactions; this extension of transactions after a time operates upon prices, but it is not a very rapid process, it is rather slow than otherwise.

3602. Do you think that if the Country Bankers issued notes of the Bank of England, instead of issuing their own notes, the effect you have described upon prices would be more gradual than by issuing their own notes?—I think it would be more sudden.

3603. Why do you think it would be more sudden?—Because it would then be altogether under the control of the Bank of England only; the Bank is strongly influenced by the question of gold and of the Exchanges. If it is a circulation of a Country Bank paper, it becomes modified in a considerable degree by the interest and wants of the particular town or district; and although it must ultimately follow a reduction of the notes of the Bank of England, it would not so suddenly follow it as if it was altogether under the control of the Bank of England. I think the effect would be more injurious to the provincial towns to be so controlled, than by leaving it in the hands of those whose business it is, and who know what is wanted in each town.

3604. Does it not follow from what you have said, that an over-issue of notes of Country Bankers cannot easily be effected?—My belief is that it cannot be effected by any act of the Country Banker.

3605. Might

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3605. Might not an over-issue of notes on the part of the Bank of England, issuing its notes on Government securities merely, very easily be effected?—It is easily so effected.

3606. The result, as you have described it, of the Bank of England issuing in excess in the purchase of Government securities would be, first, that a great part would remain inoperative, and would affect the rate of interest in the Metropolis, and that after a time this excess of money would affect prices, which would be followed by increased issues of notes by the Country Bankers, and according to your opinion the consequences of that state of prices would be an unfavourable Exchange, that is to say, a disposition on the part of foreigners to purchase less British productions and to send more Foreign productions here, and in that way would be produced an unfavourable course of Exchange; would that unfavourable course of Exchange impose upon the Bank of England the necessity of withdrawing that excess of notes they had put into circulation?—It would take place as matter of course; as I stated before, the effect is an abstraction of the notes of the Bank of England, inasmuch as the parties who take the gold out of the Bank pay for it in their notes, and without any effort of the Bank of England, without coming to any specific resolution; that is the result, and it works itself right without any particular proceeding on their part.

3607. Although it rectifies itself without any violent operation of the Bank of England, does it not cause a reduction of the notes of the Bank of England circulating in London?—Certainly.

3608. Can the rate of prices which have been advanced by the issue of notes be sustained after that excess of notes of the Bank of England are carried into the Bank of England for payment?—If the reduction in the amount of the circulation of the Bank is considerable, it effects a reduction prices.

3609. Then the prices and the circulation of the Country Banks would be brought back to that level from whence they arose, owing to that excess of issue on the part of the Bank of England?—That I presume to be the course of things, under some modification from other circumstances.

3610. In the meantime may there not have been a very great fluctuation of prices occasioned?—Not a very great fluctuation from that circumstance alone.

3611. Would that depend upon the extent of the excess of that issue by the Bank of England?—I do not think it would altogether.

3612. When you speak of fluctuations in the value of money not being generally injurious, do you mean fluctuations in the rate of interest, and not fluctuations in the value of money as compared with the prices of commodities?—Yes; when I allude to the value of money, I mean the value of money in its rate of interest.

3613. Has the whole of what you have said relating to the value of money, had reference to the rate of interest?—Yes, it has.

3614. You have stated, that as the rise of prices goes on, there is a disposition on the part of foreigners to buy fewer goods than they formerly did, which turns the Exchange against us, takes Bank notes out of circulation, and ultimately diminishes the quantity of Bank notes in the country; does the correction of the Exchange go on *pari passu* with the fall of price?—By no means, though that is the tendency of things, yet there are a variety of other causes operating upon the rate of Exchange, and upon the balance of transactions between one country and another.

3615. From your experience, what interval of time would you think can elapse before the correction of the high price of commodities, occasioned by an over-issue, takes place by the Exchanges?—It is so remote and so uncertain, that it is impossible to specify a time.

3616. Do you think that an over-issue of Bank paper can take place for a considerable time, without being corrected through the medium of an unfavourable Exchange?—I am quite of that opinion, because so large a proportion remains inoperative for a long time.

3617. How does the rise of price in the value of commodities take place practically; by discounts of the bills, or by loans of money to the customers of the Country Banks?—By both.

3618. Do you not think that when a rise of prices takes place generally in most commodities in the country, there is an immense additional quantity of bills issued, from the increased number of transactions that take place, each man purchasing in order to realize a profit upon his purchase?—An increase in the number of bills does take place from this cause.

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3619. You cannot state whether it takes place in the form of bills, or through loans of Country Bankers?—No.

3620. Are not the pecuniary transactions of London all discharged ultimately by notes of the Bank of England?—Yes.

3621. Do you think also that the pecuniary transactions of the country also receive their ultimate discharge in London by notes of the Bank of England?—The pecuniary transactions in the country are settled first by the Country Bankers, then by the Country Bankers between themselves, and the balances thus settled are paid by their correspondents in London, and of course assume the character of being London transactions; they are settled by the balance being paid in Bank notes.

3622. Have you ever made a calculation of the amount of pecuniary transactions receiving their daily discharge in London?—I have not a conception of what it is.

3623. Do you know the amount of the daily transactions at the Clearing House?—No.

3624. It was stated in 1810, in evidence before a Committee, that the daily amount of the transactions of the Clearing House varied from 5,000,000 *l.* to 15,000,000 *l.* and that the amount of Bank notes paid were from 250,000 *l.* to 500,000 *l.*; would it be somewhat to such an amount now?—I have no conception of the amount.

3625. Supposing 500,000 *l.* to be required in Bank notes for discharging the balance at the Clearing House, would it not be necessary for the Bankers who had that 500,000 *l.* to pay, to be provided with a much larger amount of Bank notes than 500,000 *l.* in order to secure the discharge of their engagements?—Of course they must be provided with a much larger amount of Bank notes than they actually have to pay.

3626. Did you ever form an opinion of what is the amount of Bank notes commonly in the hands of the Bankers of London?—I cannot say; it fluctuates very much.

3627. Should you think that by far the greater proportion of the Bank notes of 100 *l.* and upwards are held by the Bankers of London as a reserve for their payments?—I think that the notes of 100 *l.* and upwards are most of them held by the Bankers of London.

3628. The amount of them being about five millions, would it not follow that from five to seven millions would be the amount held by the Bankers of London as a reserve for their payments?—I cannot at all state that; I do not know what the practice is in this respect.

3629. Have you formed any opinion as to the amount of the Country Bank circulation?—The Country Bank circulation is at this time exceedingly reduced from what it was; my apprehension is, that it ranges at this time somewhere from three to five millions.

3630. Have you ever seen Mr. Sedgewick's calculation of the amount of Bank circulation, and are you able to give an opinion as to whether you think that an exaggerated statement of the amount?—I have never seen his calculation, and I do not know what it is, but I think the amount is much less than it is generally esteemed to be.

3631. Since what period has it been reduced?—It is very materially reduced since the withdrawal of the 1 *l.* notes.

3632. Do you think that from the amount of stamps any accurate calculation can be formed?—I think it is a fallacious guide.

3633. Why fallacious?—Because there is a continual waste upon them; a Country Banker may have a large amount of notes that are stamped, and only a small proportion of them in circulation. The amount of the circulation of some Country Banks is reduced to about three fifths; in some agricultural districts it is reduced to one-third, and in others it has been maintained as high as half, what it was formerly.

3634. Have you formed any opinion as to what might be the amount of the Country Bank circulation at the time when it was highest?—My opinion may be exceedingly fallacious; it probably amounted to about 8,000,000 *l.* sterling.

3635. At what period?—I think the highest period was about 1822, 1823, and 1824.

3636. Are you of opinion that the diminution of the Country Bank circulation at present arises from the withdrawal of the 1 *l.* and 2 *l.* notes, and not from any diminution

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diminution of the 5 *l.* notes in addition?—The abstraction of the 1 *l.* notes has had the effect of reducing the amount of the larger notes.

3637. Were not Messrs. Gurney, of Norwich, very large issuers of 1 *l.* notes?—The Gurney's house had five or six branches; the Norwich Branch never issued any 1 *l.* notes, but all their branches did.

3638. Can you state what you think has been the effect upon the accommodation given to the country in consequence of the withdrawal of the 1 *l.* notes?—The Bankers, both in the Metropolis and in the country, have afforded to the Public all the proper and wholesome accommodation that they have required since that withdrawal.

3639. Do you mean to say that notwithstanding the withdrawal of the 1 *l.* notes, those who could give sufficient security, and had a fair claim to accommodation, have always had it?—The Public have been always accommodated in what may be termed their right and proper wants, both in London and in the country.

3640. As a bill broker, have you ever found any difficulty in getting good bills discounted since the year 1826?—Never; the difficulty has been to get bills enough; but even during the Panic, difficult as times were, when people had a sufficient supply of good bills of exchange, they were on no occasion in much difficulty.

3641. Would you, then, recommend the re-issue of 1 *l.* notes?—I cannot recommend the renewal of the issue of 1 *l.* notes in the present state of things.

3642. Will you state your reasons for that opinion?—The circulating medium in sums so small as 1 *l.* is better in gold than in paper. We do not require at this time the unnatural facilities which would be produced by the re-issue of the 1 *l.* notes.

3643. Does your opinion apply equally to the issue by the Bank of England, as by the Country Bankers, of 1 *l.* notes?—My opinion applies to both at this time; at the same time if ever circumstances require a recurrence to the issue of 1 *l.* notes, I should prefer their issue by the Bank of England only.

3644. From the connexion that your house have with Country Banks in general, do you conceive that it is the general wish of the Country Bankers to avoid the re-issuing of 1 *l.* notes, or that they would prefer the re-issuing of 1 *l.* notes?—My opinion is, the majority of the Country Bankers would be against the issue of 1 *l.* notes at this time.

3645. Do you think there is an increased security to the country from not having an issue of 1 *l.* notes?—I think there is much less chance of agitation from there being no issue of 1 *l.* notes.

3646. Would not runs upon the Bank of England, from political causes, be much increased in their extent, if the Bank of England issued 1 *l.* notes, during the late run upon the Bank for instance?—I think they would be aggravated. I think it is better left as it is.

3647. Are not the poorer classes more likely to be affected by those panics, and are not poorer persons likely to be holders of the notes the lowest in value?—They certainly are. There is no doubt that the sudden demands that have occurred from want of credit have frequently arisen with the holders of 1 *l.* notes.

3648. Are you aware that in the year 1822 and 1823 a considerable quantity of gold got into circulation, in the anticipation of the withdrawal of the 1 *l.* notes?—I recollect that the 1 *l.* notes were abstracted gradually, and that gold, of course, took their place.

3649. Are you aware that in 1822 an Act passed, authorizing a continuance of the 1 *l.* and 2 *l.* notes in circulation for ten years longer?—I was not aware of the date, but I am aware that the Bank of England had the period extended.

3650. Was not that immediately followed by a considerable issue of 1 *l.* notes in the country generally?—I cannot answer that question with accuracy, but I rather think not.

3651. Supposing gold to be in circulation, would not such an alteration of the law have a tendency to drive the gold back to London?—I think it would, because the Public in general prefer paper to metallic money.

3652. You have spoken of the interval which necessarily takes place between an alteration of the Exchanges, and its effect upon the price of commodities; would not that interval depend in a great measure upon the mass of gold on hand in London in the Bank of England?—It would in some degree depend upon it.

3653. Supposing that the gold had been driven back to London by an issue of

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Country paper, of 1*l.* notes, that would occasion an accumulation in the hands of the Bank of England, would it not?—Yes, it would.

3654. Supposing that issue of paper on the country to affect prices, would it not be longer in operating upon the price of gold, if the mass of gold in the hands of the Bank of England were much larger than usual?—I do not think it would much affect the price of gold, because, being received and shut up by the Bank of England, it is not, like other merchandize, allowed to find its level.

3655. Is not the consequence of an increase of prices the lowering of the Exchanges?—The effect of an increase of prices has the effect of lowering the rate of Exchange.

3656. Must not that operate upon the price of gold ultimately?—It would if gold were allowed to range in its value as other articles of merchandize; but, gold being fixed in its value by law, that effect is prevented.

3657. Does it not occasion its exportation?—It does occasion its exportation.

3658. Is not the exportation of gold that which ultimately brings back prices to their previous state?—That is its tendency.

3659. Then if there were a large mass of gold to be acted upon in the hands of the Bank of England, would not the interval be in some measure regulated by that circumstance?—I think the interval would in some measure be regulated by the stock of gold in the Bank.

3660. If the amount of gold in the hands of the Bank were very limited, must not they at an earlier period, in their own defence, by the sale of their securities, endeavour forcibly to reduce the amount of paper in circulation; and therefore will not the case very much vary according as the amount of treasure they have in their hands is small or great?—Clearly their proceedings will be governed according to the proportion of gold they hold to represent their notes in circulation; though the amount of notes may be small, the amount of gold may not necessarily be small also.

3661. Are not the Exchanges likely to be affected at an earlier period by a forcible contraction of paper, if the treasure is at a low ebb, than if it is at a full amount?—I think any contraction of the circulation would equally have its effect upon the rate of Exchanges whether the stock of gold be large or not.

3662. Do you recollect the state of things in the mercantile world in January 1824?—Yes, I remember that it was a period of great transactions.

3663. Were not prices very high?—Prices were high, and there was a great deal of business doing in almost every line.

3664. It has been stated to the Committee, that on the 1st January 1824 the quantity of bullion in hand was unusually large, amounting to 14 millions; that being the case, would it not take a considerable time for prices to operate upon the Exchanges, in consequence of the large amount of gold?—It would take considerable time; and it did so at the period alluded to.

3665. Might not that have aggravated the distress at the time of the Panic at the end of 1825?—Perhaps it did; if people are induced to get out of a prudent state of transactions, when the day of reverse comes it produces a severe effect; but it is always to be borne in mind that the injury is done during the time of facility; it is not the day of reverse that is to be looked upon as that in which the injury has accrued, it is only the day in which it is exposed.

3666. Supposing the 1*l.* notes were again put into circulation, would it not have the effect of driving back the gold to London?—Yes.

3667. Would that not interrupt the action of the foreign trade upon the quantity of gold, for a time?—I do not see that it would have any effect of that nature.

3668. Would it not have the effect of inducing the Country Bankers to extend their circulation, and in that way produce a rise of prices?—The Country Bankers cannot arbitrarily extend their circulation.

3669. Do not an issue of notes in the country and a rise of prices become mutually cause and effect, so that an issue of notes is occasioned by a rise of prices, and a rise of prices is accompanied by speculation?—When an increase of the country circulation takes place, speculation is promoted; but there has been remarkably little speculation, in mercantile transactions in this country, of late years.

3670. What do you mean by late years?—Without much exception, since the Peace; even before the Panic, speculative transactions in goods were not very prevalent; goods generally have gone through very few hands, between the importer and consumer.

3671. Do

3671. Do you think that an advantageous or a disadvantageous state of trade?
—It is a sound state of trade.

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3672. Are not gradual fluctuations, upon the whole, more advantageous to trade than more violent ones?—I think they are; the more goods change hands before they are consumed, and the more bills of exchange are produced by those transfers, the better my business thrives.

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3673. How does that affect the Public?—Not beneficially.

3674. Do you think the present distribution of capital among the traders in the country is upon the whole a healthy and favourable state?—I think it is.

3675. Do you think that trade generally is in a more healthy state now than it was before 1825?—It is much more so than it was immediately before that period; it is in a very sound wholesome state at this time.

3676. Is not that occasioned in a great measure by the prudence with which accommodation is afforded?—It is very materially occasioned by it; pecuniary accommodation being administered with discretion has a strong tendency that way.

3677. You stated that you thought, in the present state of things, the issue of 1*l.* notes would not be beneficial; did you mean, that in another state of things, as for instance during War, when profits were high and the interest of money high, it was then advantageous to the country to have 1*l.* notes?—It gives relief and great facilities, and therefore, at a time when those facilities are called for, it is useful.

3678. Was it not at that time a creation of additional capital, which at that time was useful?—It does create additional capital; but the benefit of it is much beyond the mere application of that capital.

3679. Do you think that at this time there are many of those bills in the market known by the name of “accommodation paper,” that is, bills drawn to raise money, not the produce of real transactions?—The market is at this time unusually clear of them.

3680. Is not that another proof of the wholesome state in which the currency is conducted?—Yes, it is.

3681. In case of the renewal of the Bank Charter, can you suggest any alterations that you think would be beneficial to the Public?—I cannot suggest any alteration that I think would be beneficial, unless any thing can be adopted that would somewhat check the Bank in trespassing upon private banking, by which it is my judgment the Public are materially affected to their disadvantage.

3682. Do you think that a publication of the Accounts of the Bank would be advantageous; or not, including a publication of the amount of bullion in their hands?—A publication of the amount of bullion would be very injurious; I think there are points in their affairs that would do no harm in being made public, there are others that would be useful to some to know; but in the main I recommend caution in much publicity in the details of the affairs of the Bank; credit is ticklish in its nature, and is by no means improved or protected by exposure.

3683. Do you think that the effect of the publication of the Accounts of the Bank would have any tendency to render the Public generally less apprehensive in a time of Panic than they are under the present system?—In my opinion it would not have that effect, but often the contrary.

3684. Have you ever known the concealment of the circumstances of the Bank tend to what you would apprehend to be false impressions of the conduct of the Bank?—Decidedly never.

3685. Do you think the knowledge the Public now have, or rather the belief they have, of what is going forward in the Bank, gives as much confidence as is required in that establishment?—It does; there is great confidence in the Bank, and as much as is required.

3686. Do you think that the effect of the publication would have any tendency to check the Directors of the Bank of England in the management of their concerns?—Publication has the tendency to check the management of any thing that is to be exposed; but the management of the Bank is very good under the present system.

3687. Assuming that the management of the Bank is very good, does not that good management depend entirely upon the discretion of the Bank Directors?—Certainly.

3688. What dependence can the Public have that that discretion will always be properly exercised?—The Public can have no such certain dependence; mismanagement may arise under any system.

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3689. Do you consider that the management has been uniformly good?—I have spoken only in general; to say that I approve of every proceeding of the Bank, would be saying too much; at the same time, speaking generally, it is exceedingly well managed.

3690. You said that all mismanagement had a tendency to correct itself; would not the mismanagement of the Bank of England, being corrected in that manner, be very detrimental to the Public?—The mismanagement of an establishment so important is injurious to the Public; but how it is to be prevented I cannot say; no establishment can be put upon a foundation which shall not admit of mismanagement.

3691. Has not the principle of management at one period been very different from what it is at present; and therefore, if the management is now good, will it not follow that the management at a former period must not have been good?—That is not a true conclusion, because circumstances are exceedingly different at different times, and call for a change of management.

3692. Supposing the principle upon which the Bank is now managed, is to keep its securities at the same amount, and to allow any draft for bullion to act upon the general circulation of the country, should you consider that a good mode of managing its affairs?—I think it is a good mode of management, with some occasional exception.

3693. Do you think that if in consequence of that system the Bank is occasionally obliged to sell some of its securities in the market, for the purpose of keeping its securities at the same amount, that that is any drawback from the benefit of this mode of management?—It is not at all.

3694. Is not the effect of this mode of management to prevent the fluctuations occasioned by variations in the Exchange from acting suddenly upon the amount of the circulating medium?—That is the effect, and it would be bad management if they did not act upon such principle.

3695. Would not an alteration in the mode of managing the Bank according to the altered circumstances of the times be often very advisable?—The management of the Bank ought to be in accordance with the state of things generally, and as that state of things changes, their proceedings must vary.

3696. Therefore the same system of management of the concerns, either of the Bank of England or of private Bankers, that was advisable and necessary in the year 1825, would not be advantageous either to the Bank or to the Public interests in the year 1832?—It would not.

3697. And therefore an alteration might be justified by the alteration of the circumstances?—Certainly, it would be very bad management if it was not so.

3698. Should you have the same objection to the publication of the Accounts of the Bank, including the amount of its treasure, if such publication were not made at the very time, but were to be retrospective after an interval of three or six months?—In so far as its being retrospective, six months would be a less degree of publication; it would be a less evil.

3699. Will you state what you conceive are the dangers which would result from the publication of the quantity of bullion held by the Bank?—During favourable times there would be no danger, it would have no effect; but during times of difficulty, I am quite certain a publication of decreasing stocks of bullion would alarm the Public, and have a direct tendency to aggravate the evil, and increase the difficulties of the Bank.

3700. Was there not a general opinion abroad, in December 1825, that the treasure of the Bank was unusually low; and supposing the fact to be that it was low, and that a publication of the amount had been made at that period, would that, in your opinion, have aggravated the inconvenience which arose from the Panic, or would that circumstance have mitigated it?—It would have aggravated the evil.

3701. Was it not known?—It was known to some engaged in money business, but it was not known to the community at large.

3702. Do you believe that any very accurate knowledge of the quantity was prevalent in the City of London?—It was well known to some, but it was not to the Public.

3703. Do you not think that the persons in the country who received at that time 1/4 Bank of England notes in payment, inferred from thence that gold was very scarce in the coffers of the Bank?—The receivers of those notes were of a class of persons that knew or thought very little about the Bank of England and its

its stock of gold; the immediate effect of that issue was the stoppage of the demand.

3704. Do you mean to say that at that period the money dealers knew to a nicety what the Bank had, within half a million?—We should not have ventured to have stated it within half a million, but we had a pretty shrewd notion how the matter stood; we knew that if the demand for gold had gone on, it did not exist in the coffers of the Bank.

3705. Did not the Public conceive that the Bank of England had been very much drained of its gold, from the circumstance, which was generally known, that a great capitalist was employed to procure gold for the Bank of England?—The Public were not aware of such transactions, neither did they trouble themselves much about the stock of gold; of course the money dealers in the town, who were daily affected by it, were alive to the question.

3706. In fact you had such confidence in the stability of the Bank, that you did not consider it a matter of much consequence whether the stock of gold came to an end?—It might have been unpleasant to many people, but it would have been an immediate relief to the money dealers, as was the case with respect to the issue of 1*l.* notes to Country Bankers at that period.

3707. Supposing the Bank were to publish their Accounts for a long past time, embracing the several periods of difficulty, from which it would appear that at certain periods they had a very small quantity of gold left; do not you think that that publication would tend to increase, generally speaking, the confidence of the country in the stability of the Bank, even if future periods of difficulty should occur?—My apprehension is that it would have no effect in that way.

3708. Do you not think that if they were to publish their Accounts, showing that for a series of years, according to the opinion you entertain, the management had been so prudent, it would tend to give confidence in the minds of the Public; that at future periods also the management of the Bank would be good, and that they might rely upon the solvency of the Establishment?—I do not think there is any want of confidence in the Bank; I do not believe that such publication would increase that confidence.

3709. Has the publication of the Accounts of the Bank of France been attended with any of the evil effects of which you speak?—I cannot speak with certainty as to the Bank of France; but I apprehend that the circumstances of that Establishment and of that country are very different from the circumstances of the Bank of England and this country; and that France depends infinitely less upon the credit of its Bank than what is the case here, and that the comparison does not bear.

3710. Do your objections to publication extend to the publication of the amount of the Bank's issue and the amount of notes out, or is your objection confined to the publication of the amount of bullion retained?—My great objection is to the publication of the amount of bullion; I see no disadvantage in the publication of the amount of their circulation.

3711. Do not you think it would lead to a great deal of speculation; for instance, if the quantity of bullion was large, a certain class of individuals would frame their operations accordingly, or if it was lower than usual, they would act accordingly?—I think not. The disadvantage of it is in times of difficulty rather than in times of prosperity.

3712. Should you see any objection to a weekly publication of the amount of issue?—The publication of the amount of issue occasionally would be useful to some, and no disadvantage to any.

3713. Do you not think it would be attended with advantage rather than otherwise?—I think it would.

3714. What would be the advantage of it?—It would be an indication to the money dealers to govern themselves by.

3715. Is it not advantageous that persons engaged in a certain business should have certain data to go by in regulating their business?—It certainly is an advantage.

3716. Would you recommend also the publication of the quantity of Country notes in circulation?—I think it very immaterial; the Country Bankers would not have any objection to give the information.

3717. You have stated that you never found any reluctance upon the part of the Board of Directors to give you any proper information; have you not very often heard it said, as a general opinion, that if you were going across the Royal Exchange, and asked a Bank Director what o'clock it was, he would say, You

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must excuse my answering your question?—I have always found them very ready to communicate any suitable information.

3718. Have you not, then, an exclusive advantage over other money dealers in the country in this respect?—Not at all, because they would tell every body that was circumstanced as myself, with equal readiness; I have no exclusive advantage.

3719. Do you understand that communications are made freely to any individual of matters which relate to the general conduct of the Bank, and upon which it may be supposed that individual has a right fairly to make inquiry?—I can only speak from my own experience, that in any inquiry I have felt it to be right to make, I have experienced very friendly and liberal treatment.

3720. Do not you believe that that information is given to you, not merely for your own advantage, but in order that you may give your country correspondents, namely, the Country Bankers, also the benefit of that information, and that you may be able to advise them more effectually than you could without that information?—Most decidedly so; it is not a channel of communication that is open to me only.

3721. Then it is not your opinion that there is any public advantage or necessity on the part of the Bank itself to hold reserve with regard to communications of the nature suggested?—I do not think there is a necessity to hold much reserve; I have not met with any improper reserve; but there are many things that occur in that establishment that would be highly improper for them to tell me or any body else.

3722. In forming your opinion of the danger of the Bank publishing an account of its bullion, have you taken into consideration the increasing information of the Public upon all subjects of money and circulation, of late years?—I do take that into consideration; but I am of opinion that many people who profess to understand the subject are exceedingly ignorant of it.

3723. Would you think it safe to rely upon any supposed diffusion of intelligence on that subject, as a guard against the capricious disposition on the part of the Public at large, which you say distinguishes a run upon such a body as the Bank of England?—I think it would not be safe so to rely.

3724. Would you rely upon any supposed increase of intelligence among the Public at large for protection against that sort of feeling?—I have no reliance at all upon it.

3725. What is your opinion as to the policy of allowing other Banks in the Metropolis, besides the Bank of England, to issue notes, without any restriction as to the number of their partners?—I do not think it would be beneficial to the Public.

3726. Will you state the reasons why you think so?—My opinion is that the notes of the Bank of England, founded as they are, are the best circulating medium that we can have, I do not think that such admixture would tend to any advantage, but the contrary.

3727. Do you think the competition would be productive of any inconvenience?—I cannot point out the practical inconvenience. The present system works exceedingly well, and I should be sorry to see it endangered by putting a variety of notes in competition with each other in the City of London; no additional advantage can possibly accrue from such a measure.

3728. Do you think there could be any advantage in permitting a larger number of partners in the Banks in London, without permitting them to be Banks of issue?—I do not think that there would be any advantage from it, but much disadvantage.

3729. Then are the Committee to understand that, generally speaking, you are against much change in the present system of the circulation in the Metropolis?—I am against any change in the circulating medium in the Metropolis.

3730. Are you against any change in the system on which banking is carried on in the Metropolis, including the Bank of England?—My opinion is that the banking business is exceedingly well conducted in London, that it is exceedingly beneficial to the community, and that an alteration would be decidedly injurious.

3731. At present the Bank of England have the exclusive privilege of preventing any Bank being established with more partners than six within 65 miles of the Metropolis; do you think that limit is necessary to reserve to them their present monopoly of the circulation of the Metropolis?—I think it is a good distance; but if that distance were lessened 25 miles, I think it would be wholly unimportant.

3732. Do

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3732. Do you think that it is advantageous or disadvantageous to prevent Joint Stock Banks in the country from being able to make their notes payable in London?—I think it a point very immaterial.

3733. Do you not think it would be convenient to a Joint Stock Bank in the country to make its notes payable in London?—It would be convenient.

3734. Would it produce any disadvantage, that you are aware of?—I do not think it would.

3735. Is it your opinion, from your knowledge of country banking, that the establishment of Joint Stock Banks in the country is a system which ought to be encouraged?—I do not think that the banking business will be so well conducted by Joint Stock Banking as by private Banking; but at the same time there are many valuable institutions established under that denomination.

3736. Have there not been times when insecure Country Banks have existed in the country?—Certainly.

3737. Do you not think that Joint Stock Banks must generally give the Public more security than private Banks?—If security means protection from loss, they do not.

3738. In what way can loss accrue to the Public from Joint Stock Banks?—The Public become the shareholders, and any loss that the establishment makes falls immediately upon the shareholders, without the intervention of the fortunes of individuals, as in private Banks; and it is a system of banking under which loss is more likely to accrue; injury will also arise from trafficking in shares; persons become partners who are incompetent in respect of property, and very many will take shares who are ignorant of the responsibility they incur. There is no doubt that the Public will lose greatly more under this system of banking than they ever have done under private Banks.

3739. If in your opinion the persons engaged in Joint Stock Banks are more likely to trade to loss than private Bankers, is it likely that many of those Banks will be established or continued in competition with one another?—I think they will be established, and that many of them will continue, because it is so much to the interest of the agents of them to establish them, and maintain them when established.

3740. Though it is eminently to the interest of the agents of them to establish them, and to keep them up, do you think it is not the interest of partners to engage in them?—I think not, with a few exceptions to the contrary.

3741. Do you think that the Joint Stock Banks are more likely to be advantageous to the partners in manufacturing or in agricultural parts of the country?—I think they are more likely to be great in their results in the manufacturing than in the agricultural districts; but whether those results will be always upon a favourable side, time only will show.

3742. If Joint Stock Banks were to be established in the country, would you conceive that it was most beneficial for the public interest that they should be established with limited or with unlimited responsibility?—The shareholders ought to be responsible, the same as is the case with private Bankers.

3743. Is it not within your knowledge that the Joint Stock Banks discount very much in London, and the advances are made solely upon their own capital?—There is a great variety; they partake of the character of the banking business in the districts in which they are; some of them have great surplus cash, others, under equally good management, find it answer their purpose to take advantage of the low rate of interest in London; those who do so apply to the London market are under the best management of any of these establishments.

3744. Is it usual for Bankers in good credit to discount bills in London which they have already discounted in the country?—Yes, of first rate credit; we discount sometimes for the first houses in this Island, and the most wealthy; bills which they discount at a high rate of interest, we discount for them at a low rate.

3745. Supposing that Joint Stock Banks were established generally in the country, with the power of issuing notes, would there not be increased danger of over issue if the prohibition of issuing 1*l.* and 2*l.* notes were not continued?—I do not think there would be increased danger, because, as I have before stated, banking establishments in the country cannot issue beyond the actual requirements of their respective districts.

3746. When you say that Country Bankers cannot over-issue, may not one Country Banker issue upon worse security than another?—One Country Banker

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may manage his business much worse than another, and in that sense his notes may be represented by much worse security than those of another.

3747. Would not a Country Banker who issued his notes upon inferior security, be able to issue more notes than a Banker who restricted himself to good security?—I think not; I am of opinion that such Banker cannot increase the amount of his circulation; and that if he uses unnatural means to force it out, it will come in perhaps in its undue proportion, and that it is wholly out of his power to keep out an amount of circulation beyond what his own transactions call for.

3748. Supposing Joint Stock Banks to become numerous in the country, should you think it probable that they might be made objects of abuse by the directors and managers of such establishments?—There clearly is a danger of it; when I state this of Joint Stock Banks, I must again repeat that some of them are excellently well managed, especially in some of the manufacturing districts.

3749. If a power were given of establishing Joint Stock Banks in England, would not the probable result be, that a great number of them would be established, at particular periods, one after another?—I think that they will gradually increase in the country; but I doubt whether they will very rapidly.

3750. Would you apprehend any danger of undue competition by the establishment of numerous Joint Stock Banks?—It would create undue competition; I think the dangers, however, are of a different character.

3751. If there were many Banks of issue in London instead of one, would it not be difficult to bring about a general stoppage of cash payments, inasmuch as any one of them continuing cash payments would obtain the preference?—I think it would operate directly the reverse; the effect of any one falling short in payment of cash, would have an immediate effect of increasing the pressure upon the others, and it would tend to produce the same result upon all. We have cases analogous; there is nothing that will try a Bank in a country town so much as the stoppage of another.

3752. Would it not be more difficult for the Government to tamper with the currency of the country, if there were many Banks instead of one?—They might tamper with each of them instead of one; I think it would be less difficult.

3753. Supposing the Joint Stock Banks were obliged to keep a reserve of bullion equal to one-third of the whole circulation, would there be any objection in that case?—The objection is, that they would get no profit by it, and it would not answer their purpose.

3754. Supposing the Bank of England were to continue to pay the public dividends, and their notes were to continue to be received in payment of taxes, do you think that the issuing of notes could be profitable on the part of other Banks in London?—I do not think it would be profitable.

3755. Do not the Government transactions require a very large part of the actual circulation of London, at this moment?—A very large part of the circulation that at present exists has been taken out of the Bank in making those payments.

3756. You have stated that, in your opinion, Country Banks cannot over issue; is that true also of the Bank of England?—No, it is not true, because their circulation is represented by assets that are fixed in their character, and those assets do not fluctuate according to the natural demand upon the Bank; therefore the remarks I made about Country Bankers circulation are quite irrelevant to that of the Bank of England.

3757. Do you think that the Bank of England's circulation is founded upon Government securities?—In a considerable degree it is; and in my opinion it is the best foundation for their circulation.

3758. Is it not most important in settling that great question, that as far as possible there should be no improper interference on the part of Government in the business of the Bank of England?—It is certainly highly desirable that there should be no improper interference, but there may be a reasonable and proper interference.

3759. Have you not reason to suppose that on former occasions that interference has been injurious to the country?—I am of opinion that previous to the Peace, interference did take place that was injurious to the country.

3760. Do you think that the desire on the part of Government, since the Peace, especially in 1821 and 1822, to relieve the agricultural distress of the country by means of an increased issue of notes, was injurious to the country?—It was a mistaken, but not an unnatural, view for the Government to take; it was a dangerous mode of relief.

3761. Do you not consider that that was one of the causes which produced the
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Panic in 1825?—It was one of the causes; but it is impossible to define what were the whole of the causes of that very remarkable crisis.

3762. Do you think that the reducing the dividends at that time, in 1823, from five per cent to four, and in 1824 from four to three, was at all a cause of the Panic, by throwing an extra circulation of money into the market, for which some employment was demanded?—No, I do not think it was; I do not think it can be ascribed to those measures of Government.

3763. Can you state what, in your opinion, mainly contributed to produce the Panic in 1825?—I do not think I can venture upon an answer to that question; the causes were various; certainly not the over-issues of Country Bankers, as has been often charged against them.

3764. Do not you think the circumstances last mentioned were amongst the causes?—I think not; it may be stated that every thing that caused great facility in money transactions tended that way; but such facility and power in our money market is the very foundation of our financial prosperity, and it would be the greatest possible folly to attempt to cure the partial evil by annihilating the general good.

3765. Do you think that the great reduction in the duties on many foreign articles of production contributed to produce that state of things?—I do not think it did.

3766. What is your opinion of the policy of the Bank of England establishing Branch Banks in the country?—I think it impolitic; no advantage has arisen from it.

3767. Has it not facilitated the transmission of money from the Metropolis of the country?—It has not given the Public any facility they did not possess before; there are no two towns in this kingdom respecting which money could not be transmitted from one to the other in the course of post by the Bankers of such towns, and such facility has always existed since I have been engaged in money transactions.

3768. Have not the Country Bankers been mutual agents throughout the whole kingdom, for many years past?—Yes, they have.

3769. So that any Country Banker in one town could, by the payment of the expense of postage, transmit an order for money to any other town in the kingdom?—Without any difficulty.

3770. Has not the effect of the establishment of the Branch Banks been, to regulate the profits of banking in the country, and has it not so far been an advantage to the traders in the country?—It may have been in some districts, but it has been wholly inoperative in others. The Branches have in some places lowered the rate of interest unreasonably and incorrectly, giving those places an advantage even over the Metropolis.

3771. If they reduce the rate of interest to the manufacturer, do they not also oblige the Country Banker to reduce the rate of interest he allows upon deposits?—Yes, it does; and that has a very injurious effect upon a class of persons upon whom it presses exceedingly hard. It is of much greater consequence to a man of that class, to have the interest upon his deposit, the accumulation of his labour, reduced, than it is of advantage to the merchant to pay a little more interest upon his transaction.

3772. Do you believe that the Bank of England, by means of the Branch Banks in any district, discount at a lower rate than they do in London?—Yes.

3773. Are you not aware that four per cent is the general rate of interest with the Branch Banks?—Yes, but at some of the Branches they have discounted at three per cent, and in London at four.

3774. Are you not aware that that three per cent is the rate charged only to Bankers and not to the Public, and that the Banker is obliged to discount to the Public at four per cent to get a profit?—I am aware that discounting at three per cent is limited to money dealers, but it had the effect of lowering the rate of interest, and giving the strongest competition among the money dealers in those particular towns; and I think it is altogether a wrong proceeding.

3775. Is not the rate of discount to the Branch Banks greater than the rate at which similar bills could be discounted by you in London?—Not in the cases I have mentioned; but their general rate in the country is four per cent, and as such it is higher than the market rate in London.

3776. Is not the rate of interest considerably under four per cent in London?—Yes.

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3777. Does it not, then, follow that merchants of credit in the country have discounted their bills in London at a lower rate of interest than they can discount them at the Branch Banks?—They can; but inasmuch as the Branch Banks in some towns discount for some money dealers at three per cent, it has made the rate of money in those towns lower than in London.

3778. Are you aware that they do not discount for any body, either in Liverpool or Manchester, under four per cent?—I am quite aware of that, except for certain money dealers.

3779. When you say money dealers, is it not confined to Country Bankers who have previously issued their own notes?—It is not confined to such.

3780. Do you remember the period when they discounted at three per cent at Liverpool?—They now discount at three per cent in Liverpool.

3781. Do you remember how long it is since they began to discount at three per cent?—It began at Birmingham some time since; but the Bank have gradually increased such operations both in amount and in the number of Branches at which it is done.

3782. Are not those selected individuals only Bankers?—They are money dealers; I do not know that they all come under the denomination of Bankers.

3783. Do any of those houses in the country, for whom the Bank discount at three per cent, discount for their country customers at a lower rate than four per cent?—Yes. It has created that competition, that it has lowered the rate of interest in those towns to much below four per cent.

3784. Then it may be considered that they are mere agents for the Bank of England?—Yes, it may be so considered.

3785. Have you not found that the establishment of Branch Banks has brought you, as a bill broker, more immediately in contact with the traders and manufacturers in the large towns?—It has in some measure; my business has not been injured by it.

3786. Do not the manufacturers and merchants that formerly sent their bills to a Banker in town for discount, now send them to you for discount?—Yes, we do a vast deal of that description of business.

3787. Do you think it would be advantageous if the Country Bankers were permitted to pay their notes in Bank of England paper, instead of being compelled to pay them in cash?—If that liberty only applied to their notes, it would be inoperative, but if to all their payments, it would be a relief to them; but the Country Banker can hardly say, "This is a demand of one nature, I will pay it in one coin; and this is a demand of another nature, and I will not pay it in the same coin."

3788. Do you think there would be any advantage in enabling them to pay their liabilities in Bank of England paper?—I think it would be an advantage.

3789. Do you see any disadvantage likely to counterbalance that advantage?—I cannot point out any.

3790. Do you think it would be just, unless the number of Branch Banks were very much multiplied in the country, enabling the holders of Bank of England notes readily to obtain cash for them?—It would be just, because it would be paying the individual in the coin in which he has paid the Banker.

3791. Do you think it is just to deprive the holders of a Bank of England note of the ready means of converting that note into cash?—I think it is just, under such circumstances.

3792. What does the Bank of England note promise to do?—It promises to pay the bearer so much money.

3793. What is meant by money?—In the current coin, whatever it is.

3794. If you exempt Country Bankers from paying in the current coin of the realm, but enable them to pay in Bank of England notes, should it not be a concomitant measure to afford every facility to the holder of Bank notes in the country to obtain cash for that note?—It does not strike me to be a necessary consequence; it is impracticable that all the money transactions of the country should be in coin, and it does not appear to me unjust, if he has that paid to him which is substantially money, the moment he gets it.

3795. Might not a person be placed in great difficulties if his creditors had a right to demand of him payment in coin, and he could receive nothing from the country but paper?—No individual can ever be in any difficulty on that account.

3796. Would not the enabling the Country Banker to pay his engagements in Bank of England notes, be very likely to create a suspicion through the country, and

and thereby to cause a run upon the Bank of England?—I think the effect would be the contrary.

3797. Is not the most likely mode of allaying suspicion, to convince the holder of the note that he can always obtain that which the note promises that he shall have?—Certainly it is.

3798. Can you form any opinion of the quantity of gold now in circulation?—I am quite ignorant upon that point.

3799. Do you believe it to be great or small?—I think it is very large.

3800. Having stated that the country circulation at present is about 4,000,000 *l.* and at the highest amount was about 7,000,000 *l.*, would not that show that the quantity of gold in the country would be somewhere about 3,000,000 *l.*?—I think it is very much beyond.

3801. How much beyond?—I cannot make an estimate; but I do not think that is a correct basis of the calculation.

3802. Do you think it exceeds five millions?—I think so; I should be very much surprised if it is limited to double that amount; and I should not be surprised if it was a great deal more.

3803. Do you think there is as much currency now as there was in 1826?—I think there must be.

3804. Do you conceive that the vacuum in the circulation created by the withdrawing of the one and two pound notes in 1826, has been filled up by gold?—I think it is more than filled up by the gold now in circulation.

3805. Do not you think that by the present Mint regulations the quantity of circulating medium, in all kinds of circulation, is necessarily governed by the price of commodities and the activity of commerce?—I think it is not entirely so governed, seeing that a large proportion of the foundation of the circulation of the Bank of England is fixed.

3806. If the notes in circulation belonging to the Bank of England be never reduced below 15 millions, is there any objection to their having 15 millions of assets which represent those notes in fixed securities?—There is no objection.

3807. Can it therefore at all influence the circulation, or interfere with its due regulation?—I think it does not interfere with its due regulation.

3808. Therefore, must not the price of commodities and the activity of trade determine the quantity of circulating medium at any time?—Only partially so.

Martis, 10^o die Julii, 1832.

THE RIGHT HON. LORD VISCOUNT ALTHORP, IN THE CHAIR.

Thomas Tooke, Esq. called in; and Examined.

3809. YOU are a Merchant in the city of London?—Yes.

3810. Can you give the Committee any idea with respect to the period when the Bank of England first began to interfere considerably with the currency of the country?—I have not attended to the state of the circulation, as indicated by the issues of the Bank of England and the prices of gold, at a period anterior to 1782.

3811. Were not the years 1783 and 1784 considered years of great commercial distress?—Yes.

3812. Was not the cause said to be the transition from War to Peace, and the demand for gold for commercial and other purposes?—I rather think it was, as we have seen on some subsequent occasions a revulsion of credit arising from too great an extension of it in the period immediately preceding.

3813. You stated that in 1782 there was a considerable increase?—There had been a considerable increase.

3814. Is it not stated in Mr. Mushet's work upon the Currency, that the amount of Bank notes in circulation in 1779 and 1780 was about six millions, that they were increased in March 1782 to 9,600,000 *l.* and that they were decreased in the December of the same year to 5,994,000 *l.*?—Yes, a great reduction was suddenly effected, by the Bank refusing to make the usual payments upon the omnium.

3815. When was that?—I think in 1783.

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3816. Is it not stated in your work, that the treasure of the Bank in October 1783 was reduced to 473,000 *l*?—The amount of treasure, as then stated, I have taken from other publications. A statement of the treasure in the Bank, between 1783 and 1797, appeared in the Monthly Magazine for the year 1797, which was afterwards inserted in Mr. Allardyce's book upon Bank Affairs. The scale was stated to have been that which had been delivered by the Bank Directors to the Select Committee upon the Bank in 1797, and the key, with the grounds for the formation of it, was reported to have been furnished by Mr. Morgan the actuary. I do not vouch for the correctness of the sums; but it does appear, at the same time, in the examination of Mr. Bosanquet by the Select Committee in 1797, that the treasure in 1783 was in an extraordinarily low state.

3817. Is the following a correct quotation from your work on the Currency :
“ Here it is to be observed, that the drain of cash in 1783 was considered as the
“ effect of extended commerce in consequence of the Peace; it might, however,
“ with more probability be referred to two circumstances unconnected with the
“ Peace, the one a previously greatly enlarged issue of Bank notes, and the other
“ a considerable importation of grain ”?—Yes; I should add at the same time, upon reconsideration of the circumstances of 1814, that it might in 1782–3 have been attended likewise with considerable speculations upon the occurrence of the Peace in unusual exports, and with an extension of credit for the purpose of making those exports.

3818. Have you any doubt that the increase of the Bank notes in March 1782, and the contraction of them afterwards in December, contributed to the commercial distress of the year 1783 and 1784?—I have no doubt that the extended issue was the main cause of that necessary contraction, and that it aggravated the distress that might have arisen from over-trading, independently of it.

3819. In the year 1793, were there not a considerable number of failures of Country Banks?—Yes.

3820. Was there anything in the conduct of the Bank of England at that period, with respect to the issues of paper, which may be said to have contributed to that derangement of banking which took place in that year?—There was an enlarged issue of Bank notes in 1791; that enlargement of issue was coincident with a tendency from other circumstances, to a considerable reduction in the rate of interest, and to extensive speculations of various kinds; there was a great extension of Country Banks, and a general enlargement of transactions upon credit; there was likewise a very extensive circulation of paper carried on with the Continent of Europe; upon the occurrence of some considerable checks to the speculations at the close of 1792, a very great commercial revulsion took place, the most extensive which, prior to that time, had occurred in the annals of our commercial history.

3821. It appears that in 1787 the amount of Bank of England notes in circulation was 8,600,000 *l*.; in 1789, 9,900,000 *l*.; in 1791, 11,700,000 *l*.; in 1792, 11,585,000 *l*.; would such an increase of notes by the Bank of England, made under such circumstances as you have stated, in your opinion contribute much to aggravate the evil of that period, of over-trading?—Undoubtedly; if an enlarged issue takes place coincidentally with circumstances favouring speculation and general over-trading, there can be no question but that it contributes to increase that tendency and to aggravate very considerably the consequent revulsion.

3822. Is not the following a correct quotation from your work : “ Contempo-
“ raneously with, or rather preceding this addition to the circulation of the Bank of
“ England notes, there was a great increase of the issues of the Country Banks.
“ This great factitious increase of nominal monied capital coming into competition
“ with the pre-existing real monied capitals seeking investments, operated in re-
“ ducing the rate of interest, and accordingly the market rate of discount, on good
“ bills, fell to three per cent; the artificial incentives to speculation thus afforded
“ coincided with circumstances which were of themselves calculated to excite
“ a spirit of mercantile enterprize, and as invariably is the case in times of specu-
“ lation, the country was both in and out of Parliament represented to be in a state of
“ unexampled prosperity ”?—That is a correct historical account of the commerce of the country as far as I can judge of it by the materials that were accessible.

3823. Do you think, in point of fact, the Bank were not justified by the circumstances of the times, in making the increased issue of paper in 1792, which it appears that it did make at that time?—The Bank might be justified in enlarging the circulation, in as far as the increase was merely in payment for gold brought in.

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It is perfectly clear that the whole enlargement might be through the medium of Bank notes in exchange for gold, and yet if that happened at a time when there was otherwise a disposition to speculation, the addition, whether that addition had come through the Mint in the shape of coin, or in Bank notes, would certainly, while in operation, contribute to the extension of the spirit of speculation, by furnishing additional means for it, and particularly as it could not come into circulation without more or less depressing the rate of interest.

3824. You consider that such an issue of paper, if the mere object was to get rid of the treasure with profit, would not have been justifiable?—No; I should not say that that would form an essential distinction in judging of the conduct of the Bank.

3825. You have stated in your work upon Currency, that in the year 1790, the cash and bullion in the coffers of the Bank amounted to 10,097,000*l.*, while their notes in circulation amounted to 10,217,000*l.*; and it appears from the observations that follow the statement of those facts, that you were of opinion that the increased issues of the Bank of England at that period were made expressly to get rid of the treasure, and to make profit, or rather to avoid the loss attending holding so much treasure?—That is one of the evils of a convertible currency, which it is very difficult to avoid. I am not prepared to say, off-hand, what would have been the proper conduct for the Bank to pursue under those circumstances; all I can say is, that an addition to the circulation at a time like that, which was from other circumstances favourable to speculation, would increase that tendency.

3826. With respect to the suspension of cash payments in 1797, are you of opinion that it is correct to attribute that measure altogether to political events, and to say that the Bank was free from blame with regard to the management of its issues previous to that year?—There can be no question that even in the opinion of the Bank Directors themselves, of that period, the issues between 1794 and 1797 were excessive. The proof of it was the reluctance with which they consented to the urgent requisitions of the Administration of that period, to grant the accommodation that was stated to be imperiously called for by the exigencies of the Public Service.

3827. May it not in point of fact be stated, as you have already stated, that it was the over-issue by the Bank of England which was the remote cause of the inability of that body to meet its engagements in 1797?—Yes, it was the remote cause, undoubtedly; at the same time I should wish to take occasion to state, that from a very distinct recollection of the circumstances of that period, I do not think that the suspension of cash payments was at that time of absolute necessity; I have never entertained the least question but that if the Bank had continued to pay, and to suppress its notes as it issued treasure, the crisis would have been got over. One among other reasons I have for thinking so is, that I have understood that when the Order in Council for the restriction of cash payments reached the Bank of Ireland, there was a great reluctance on the part of the Directors to comply with it, because the run upon them had ceased; and I verily believe that if the Bank of England had not been restricted from continuing its payments in cash till it should be reduced to its last guinea, the run would have ceased; the value of the paper that remained had increased so greatly, and the rate of interest had risen so enormously, that the great object was to get Bank notes. The treasure at that time was not so low as it had been in 1783, or as it is surmised to have been in 1825. There was certainly a drain for the purposes of hoarding, but the drain for this purpose had abated, and there was no longer any demand for gold for export.

3828. Was not that the case after the crisis of 1826?—Yes.

3829. Do you think the same result would have followed?—Yes; and if there had been a determination not to suspend payment till an absolute necessity came, namely, an inability to make any further payment, the restriction need not at that time have taken place.

3830. In cases of over-issue by the Bank of England, the Directors have been in the habit of setting forth as a justification, the plea of aiding the Public Service by advances to Government, or the plea of affording accommodation to trade; what in your opinion is the value of such pleas?—I think neither plea is any justification; it is the business of a Bank that administers a paper currency in exchange for gold, or in lieu of gold, to have no other end in view than that of preserving its paper strictly, correctly and invariably upon a level with the value of gold, and any assistance to trade, or any assistance to Government, involving an increase of issue not called for by the wants of the circulation, is a departure from the legitimate objects of the institution.

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3831. In the year 1818, did not a considerable degree of commercial distress prevail?—Nothing like so severe as those that had occurred before and since; it was merely that sort of distress which always follows a period of over-trading and a consequent revulsion of prices.

3832. Did not the Bank of England at that period, by considerably increasing the circulation of its paper, in some degree contribute to whatever distress then prevailed?—Certainly, in as far as the increased issues by the Bank of England in 1817 coincided with the very extraordinary inducements to speculation, and with a tendency to a fall in the rate of interest, which then existed from other causes, that increased issue may be considered as having contributed to the over-trading and to the consequent revulsion. But I would take occasion here to observe that in my evidence before the Bullion Committee in 1819, I gave a stronger opinion than I now entertain of the injudiciousness of that issue; I was not then aware of what I now believe to be the fact, that the treasure of the Bank continued to increase till late in the autumn of 1817, and that the whole of the increased issue of 1816 and 1817 was simply in payment for gold, or rather that the increase of the Bank treasure was much more considerable than the increase of its paper; so far, therefore, the increased issue was justifiable, although, as the event turned out, there is no doubt that whatever might be the occasion of the increased issue, that increase coinciding with circumstances highly favourable to speculation, and likewise coinciding with the great demand by foreign Governments for loans, did contribute first to an elevation of prices, and a reduction in the rate of interest, and eventually to a greater contraction of the circulation than would otherwise have been necessary.

3833. Were not the years 1815 and 1816 periods of greater distress than the year 1818?—Yes, they were periods of much greater pressure than 1818 and 1819.

3834. Had there not been a recovery of trade between 1816 and 1818?—Yes; and the commencement of distress, which always accompanies a fall of prices, did not occur till late in the year 1818.

3835. Was not the distress of 1815 of the severest description?—In 1815, and part of 1816, there was very considerable distress; a part of it arose from the enormous speculative exports that took place in 1814, upon the occurrence of the Peace. The prices of almost all exportable commodities, but of Colonial produce particularly, rose above 100 per cent. between 1811 and 1814; the effect of the over-trading, and the extravagant prices paid in 1814, was not felt fully till 1815 and part of 1816, when the returns were coming forward; and I should say that the probability is, that the exports of 1814 must have left a loss, upon the average, of at least 50 per cent. to the speculative shippers.

3836. Did not this state of trade lead to a great increase of Country Bank paper?—Yes; after the great sweep that took place of the Country Banks between 1810 and 1812, there was a revival of confidence, and of a spirit of speculation chiefly connected with exports, but partly likewise with the very high prices to which agricultural produce attained in 1812 and the early part of 1813. The distress of 1815 was occasioned not only by the revulsion from the great speculations in the exports of 1813 and 1814, but by a very great fall in agricultural produce of every description; it was therefore a state that was perhaps one of the most marked for general distress among the agricultural, commercial and manufacturing classes; hence, too, the extensive failure of Country Banks which took place between 1814 and 1816.

3837. When the country was in this state of over-trading, when a great increase of Country Bank paper had taken place, did not the Bank of England increase its issues?—Yes, it increased its issues; but I should give it in proof of the general remark I have made, that an increase or diminution of the issues of the Bank can only be judged of in its tendency by its coinciding with circumstances favourable or adverse from other causes to speculation, that the increased issue of upwards of three millions in 1814 was coincident with a very great fall of prices, not only of exportable commodities, but of agricultural produce, and it was consistent with a very rapid advance of the exchanges and a fall in the price of gold.

3838. Did not that increase of the Bank of England paper contribute to the distress that arose at that period?—No, I think otherwise; I think that the increase of the Bank of England paper in the latter part of 1814 went but a little way to fill up the chasm in the circulation which was produced by the failure of Country Banks. Mr. Thornton, in his evidence in 1819, stated expressly, that part of that
extended

extended issue was called for to supply the deficiency in the country, particularly in Northumberland and Durham.

3839. Did not a considerable contraction take place in the Bank of England paper after that great increase, and before the great distress showed itself?—Without having a statement of the Bank's issues before me, I cannot speak with accuracy.

3840. Your attention is requested to the following short extract from Mr. Mushet's pamphlet on the Currency; "The undue speculations in 1815, I think, will be found in the very great extension of the Bank of England paper in 1813 and 1814, and the general derangement of commercial credit, the necessary result of the contraction of the currency to the extent of 23 per cent. in the years 1815 and 1816." Do you think that a correct description?—No, I do not; I differ entirely from Mr. Mushet's views in connexion of the Bank's issues with prices; I think he had no adequate idea of the circumstances that influenced the speculations in goods, and the re-action from them.

3841. Are not his facts considered to be accurately stated, as to the issues of paper?—Yes; but much depends, not only upon the precise dates of the issues, but upon their coincidence with other circumstances.

3842. Does not his work exhibit clear proof of over-trading and mischief being the consequence of a great issue of Bank of England paper, and of great distress and commercial revulsion being the consequence of sudden contractions of it?—I believe, in most cases, he attributes much more than I do to the effects of any great increase or contraction of the Bank's issues; and he seems to have had no notion of the circumstances in the commercial world under which those issues took place. Now I would just take the liberty of mentioning, that I have known instances of extraordinary speculations taking place in very extensive classes of commodities without any increase whatever in the circulation of the Bank of England, and when, from all the received tests, the circulation might have been considered to be in an extremely contracted state; for instance, taking the year 1798, when after the Bank restriction, the Exchanges turned very much in our favour, when the Bank treasure increased, the scale of the Bank treasure which in 1797, as indicated by the scale, was 182, rose in 1798 to 1,200, and when this increase of treasure was sufficient to induce the Bank Directors to give notice to the Government that they were ready to pay in specie. The whole amount of the issues of the Bank, including 1 l. notes, was at that time 12,850,000 l.; now, deducting the 1 l. notes, amounting to about a million and a half, from that sum, the amount was less than the average of the circulation previous to the Bank restriction. In February 1799, while the Bank treasure had increased to 1,474, the circulation of the Bank notes was reduced by 200,000 l. even below that of 1798. Now in that interval of extraordinarily contracted circulation there was a very large class of commodities which advanced considerably above 100 per cent; the speculation was partly originating in this country, and partly arising from abroad. I have taken the prices as they were between 1790 and 1792, and as they were again in 1798 and 1799, (I believe any person old enough to remember the state of the circulation in London in 1798 and 1799 will bear witness to the very contracted state of it; I think consols were then 50, and money was lost by a loan taken at 50 in the three per cent consols); fine Jamaica coffee rose from 70 s. and 76 s. to 196 s.; West India and American cotton, from 1 s. and 1 s. 9 d. to 3 s. 4 d. and 4 s. 7 d. and even as high as 5 s.; Bengal and Surat, from 8 d. and 10 d. to 2 s. 2 d. and 2 s. 5 d.; cochineal, from 12 s. and 14 s. 6 d. to 52 s. and 54 s.; indigo, from 3 s. 9 d. and 7 s. 6 d. to 11 s. 6 d. and 13 s. 9 d.; Carolina rice, 14 s. and 15 s. to 38 s. and 40 s.; Jamaica sugar, from 38 s. and 45 s. to 62 s. and 87 s.; East India white sugar got up to 96 s. and 115 s.; pepper, from 1 s. 2 d. to 1 s. 10 d. I mention this as an instance of speculation which took place, not only without any enlargement of the circulation of the Bank of England, but in a remarkably contracted state of it. The subsequent fall of prices and consequent distress were coincident with an increase of Bank issues; so that over-trading and mischief might exist independently of the state of the Bank circulation, which Mr. Mushet considered as alone capable of producing them.

3843. Was not Mr. Mushet a gentleman in the way of obtaining knowledge of commercial circumstances, and a person very competent to form correct opinions upon them?—I considered that he knew absolutely nothing at all of commercial circumstances.

3844. In point of fact, did not the conclusions he came to in his work, with regard

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to the conduct of the Bank in 1826, its issues, and the contraction of the currency, correspond with your own?—Yes; I agree with him in the general rules which he would have proposed for the management of the circulation of paper by the Bank of England; he considered, as I do, that when there was a drain upon its coffers, it should suppress the paper in proportion as it was called upon for the gold.

3845. In the cases that have been alluded to in the questions, namely, in 1792, 1793, 1797 and 1815, it is your opinion that the Bank very imprudently made large issues, and that they imprudently contracted their issues; and it appears that Mr. Mushet, in those cases, agreed with you?—Exactly; but the difference between Mr. Mushet and myself is, that he considers the alterations in the amount of the circulation of the Bank of England to have been the moving power, the original cause of the variation of prices. Now my firm belief is, that there is hardly a single instance in which the Bank of England issues can be adduced as the origin of the rise of prices. As I have before said, when the increase takes place coincident with a disposition to speculate from other causes, then it very naturally contributes to extend the range of speculation. Perhaps as it is a subject on which I think more delusion prevails than any other I am acquainted with, it may be right to mention another very striking instance of an enormous rise of prices without any enlargement of the Bank issues, but which any body, reasoning as Mr. Mushet, without any acquaintance with the facts as they really occurred in point of precise time, would refer to the increase of the Bank issues. I had myself, from a vague impression, been misled to some extent upon that very point in giving my evidence in 1819, for I attributed more in the effect on prices to the enlarged issue between 1808 and 1810, than, upon a subsequent investigation which I had occasion to give to the precise facts as they occurred, I found reason to do. The increase of the Bank issues from 1808 to 1810 was of no less than 7,000,000*l.*, namely, from about 17,000,000*l.*, as they were in 1808, to 24,000,000*l.* in 1810. But on looking at the precise facts of the case, it does appear that a great rise of prices took place in the early part of 1808, and was completed by the Spring of 1809. On almost all articles of European raw produce the advance was very nearly 100 per cent. in the course of 1808, and in the very early part of 1809. Now the amount of Bank issues, which had been about 17,000,000*l.* for five years preceding, was in February 1808 only 16,843,000*l.*, the scale of the Bank treasure was 1,504, the price of silver was 5*s.* 3*d.* per ounce, and the Exchange on Hamburgh was 35/3. All these were indications that the value of the currency was as nearly as might be at par, for down to that time, the treasure of the Bank had been increasing very considerably. Now from the close of 1807 to the commencement of 1809 the price of all European raw produce rose very considerably; Spanish wool reached 25*s.*, hemp was 115*l.* a ton, flax as much, tallow 112*l.* a ton, linseed 7*l.* per quarter, silks and cotton wool also rose very considerably; but without going further into details, as I have in one of my pamphlets given a table of it, the rise I should say generally upon nearly all imports of European produce, besides a very considerable rise in our own agricultural produce, might be taken on the average at nearly 100*l.* per cent. All this rise took place in a very contracted state of the circulation, and when, as far as could be judged by any received tests, the value of the currency was nearly at par; a state of the circulation, in which, according to Mr. Mushet's doctrine, no such rise could take place. I had once entertained the impression, that as by August 1810 there was an increase of 7,000,000*l.* it was that increase that produced the rise; but upon more careful reference, I found that during the increase of the Bank's issues from 1808 to 1810, the prices that had risen in 1808 fell below the level from which they had risen. At the same time, although prices fell so low, and there was such discredit, as to constitute an increased value of the currency for internal purposes, the payments to the Continent were on so large a scale for corn and other imports, and for political and military purposes, that the Bank's treasure incurred in that interval a very considerable reduction.

3846. Are the Committee to understand that the difference between Mr. Mushet and you, is this, that Mr. Mushet attributes to the issues of Bank of England paper, the over-trading and speculation, and the mischief altogether; and that you conceive that the over-trading is altogether a matter of trade, and that the subsequent issues of the Bank, instead of being the cause of all the evil, are only the cause of the greater part of it?—That it is one of the aggravating circumstances. I think I can explain it in this way: Supposing, from the course of the seasons, or from

from previous speculations, the stocks of the leading articles of produce, including corn, should appear, by brokers' and factors' circulars, and by other sources of information, to have accumulated beyond the rate of consumption, there would then be a tendency to general caution, an indisposition to speculate; if under those circumstances the Bank were for any financial purpose to issue suddenly five millions of additional paper, it would produce no perceptible effect upon prices for a considerable length of time; it would in the first instance only add to the reserves in the hands of the Bankers, which they could find no adequate employment for; there would be no perceptible effect of it in the prices of commodities.

3847. With regard to the increase of the issues of the Bank of England paper between 1807 and 1810, was not that followed by an increase in the price of gold, so as to make the discount on Bank paper, from being 2*l.* 13*s.* 2*d.* in 1807, to 13*l.* 9*s.* 6*d.* in 1810?—I conceive that the increased issue, in its progress in 1809 and 1810, when the clear indication was that the Bank should have contracted its issues instead of increasing them, had the effect certainly of greatly depressing the Exchanges, and of occasioning a very great drain of the metals, with an increased price of gold; but the largest sudden increase which took place during the first six months of 1810, was attended with no immediate further depression of the Exchanges, and no immediate further increase in the price of gold; the reason of it is this, that the increased issue in 1810 was merely filling a part of the vacuum occasioned by the failures of the Country Bankers, and the great discredit that then prevailed.

3848. Notwithstanding, then, that the price of some articles may have fallen between 1807 and 1810, must not a general increase of price have accompanied such a great increase in the discount of Bank paper?—No, the fact was totally otherwise; the prices of all commodities fell very soon after the commencement of the increased issues; the increased issues did not commence till the very close of 1808, and by the beginning of 1809 most of the articles that had risen upon the enormous speculations of 1808 were beginning to fall; the fall was very rapid between the Spring of 1809 and August 1810, during which the largest addition was made to the Bank issues.

3849. What is your opinion with regard to the cause of the commercial distress that took place in 1825, with reference to the state of trade in 1823, and the issues of paper by the Bank of England, and the contraction of it?—In 1822 there had been a very great fall in the prices of all commodities, with hardly any exception; that fall of prices had tended to increase consumption, and in some cases the prices were below the cost of production. The consequence was, that in 1823 there was the commencement of a pretty extensive reduction of the stocks. Opinion then turned in favour of all those articles which were supposed to be below the rate of consumption at the existing low prices. The consequence was, a general disposition to speculate. The rate of interest had likewise fallen very considerably. In 1824 several speculations offered themselves, besides those in goods, such as Insurance Companies and Mining adventures, and Foreign Loans, which all tended to produce an extension of transactions on credit. Coincidentally with this state of things there was an increase of the Bank issues. But I have been given to understand that the increased issues of the Bank of England in 1823 and the early part of 1824 were coincident with, or rather against an increase of its treasure; that it was in the purchase of gold that a great part of that addition to the circulation took place. If so, although there is no doubt that an addition to the circulation, however made, would, coincidentally with a tendency to speculation, favour that speculation, it would make a difference in the question as to the management by the Bank. But there was no doubt that towards the end of 1824, not only the drain upon the Bank's treasure, but that every other indication was such as to have induced the Bank to contract its issues, instead of enlarging them as it did. And perhaps I may be allowed to take occasion to say, with reference to 1822, that it is another instance of the delusion that prevails in looking at the state of the circulation as the originating cause of any considerable advance of prices; for in June 1822 the continuance of the 1*l.* notes was enacted for ten years longer; now the prevailing opinion is, that the apprehension of the withdrawal of the 1*l.* notes had produced a great fall in prices in 1822, and that the Act by which the circulation of small notes was continued for ten years was a signal for the enlargement of the circulation, and that as a necessary consequence there followed the general increase of prices which took place between 1822 and 1825. Now it so happened that the greatest depression of price took place after the determination

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in favour of continuing 1*l.* notes; the great fall in the price of wheat was between June and December of that year, and till some speculation arose upon articles of export in consequence of the invasion of Spain by France; most kinds of produce were as low in the Autumn of that year as they have ever since been. That was in a state of the circulation when not only there existed 1*l.* notes, but when the Public were assured of their continuance for ten years longer, which, for all practical purposes, was an indefinite period. I have made a memorandum of the articles that are as high now, and some of them higher, without any 1*l.* notes, and in a very contracted state of the Bank issues; corn at present, and provisions of all kinds, are higher than they were in 1822; hemp, flax, tallow, oil, sugar, silk, are at as high a price as they were in 1822; I mention this, because Mr. Mushet has been quoted as an authority for the supposition that the sole cause of the phenomena of the high or low prices has been the increase or diminution of the Bank circulation.

3850. You say in your Work, that “there was enough, however, of commercial enterprize, bordering on speculation, to favour an extended circulation of private paper and credit.” That is with reference to the end of 1823. “In this state of things, any addition to the issues of the Bank of England was evidently beyond the wants of the circulation.” It appears from what you have just stated, that you think that if the Bank was receiving gold, it was justified in allowing the quantity of its paper to increase; but, under such circumstances as you have described, of the state of trade, and the indications of an excess of currency, would it not have been the duty of the Bank to have counteracted the issues of paper for gold, by diminishing it by other means?—I find great difficulty in giving an opinion upon that point. I am not aware that the Bank should be considered as necessarily bound in the regulation of its issues to look to any thing but the amount of its treasure and the Exchanges. Its treasure might be at par, yet the Exchanges might be affording an indication that a drain would soon commence; that is a case, in my opinion, in which the Bank is bound by consideration other than that of the state of its treasure. The Directors might, indeed, as mercantile men, take into consideration the state of trade as an additional guide in their issues, but they are perhaps not in strictness bound to do so.

3851. Was not the state of things you have described a sufficient guide to prevent them from adding to the circulation?—I think if they had done so, as the event turns out, it would have been beneficial to the Public as well as to themselves.

3852. You have stated in your pamphlet, that “at the commencement of 1824, two new powerful incentives to speculation came into play; the rapid fall in the rate of interest, and the situation of the South American States;” and you proceed to say, that “Unaccountable as it may seem, the Bank of England, instead of taking warning from the pre-existing excess, actually increased its issues in July of that year. In January 1824 the notes in circulation were 19,800,000*l.*; in July 1824 they were 21,660,000*l.* But it was reserved for the first three or four months of 1825 to display to the fullest extent the effect of an increased issue of Bank of England notes, coinciding with circumstances favourable to speculation.” Are you still of opinion that the conduct of the Bank of England was not justifiable in making the increase in that year?—I think the conduct of the Bank of England, so far as I can judge of it, from the close of 1824 till the Panic occurred, was perfectly unjustifiable upon any principle applicable to the correct management of a circulation of paper.

3853. You have stated that there was a great accumulation of bullion in the hands of the Bank in the year 1790 and 1791?—I judge so from the publications to which I alluded.

3854. If the Bank had not received that bullion, but the bullion had come into circulation in the country, would it not have had the same effect as the Bank issuing notes to meet that bullion?—Exactly, that is the position I have stated.

3855. Would not the effect of that accumulation in bullion in the country have had the same tendency to affect the circulation of the country if no Bank whatever had been in existence?—Certainly.

3856. Do you consider that any evils, if any evils existed from the issue of notes at that time, can be attributable to the Bank of England?—I could not answer that question correctly without having before me the materials on which I reasoned in my publication. I should certainly say that the evils stated could not be

be attributable to the Bank of England, in as far as they issued paper only in exchange for gold; the gold against which they so issued the additional paper being beyond what, upon sound principles, should be considered as a sufficient reserve.

3857. You stated that all the indications at the end of 1824 tended to prove that the Bank ought to have contracted its issues?—I conceive so.

3858. Then at that time did you think the indications at that period such as led you to foresee the sort of re-action that took place at the end of the year?—I forget the precise period in the Spring of 1825, but it was a common topic of remark with me, that we were proceeding at such a rate in the rise in the price of commodities, and of shares, and in the reduction of the rate of interest as would occasion a very violent revulsion; my expression was, that we shall be brought up sharp after this.

3859. Were you at that time aware of the danger in which the country was placed, of a re-action?—My opinion was, that that state of things could not continue, judging by the course of the Exchanges, and the drain which it was then matter of notoriety was going forward on the coffers of the Bank; it was clear then that the circulation could not be supported at its existing rate.

3860. Do you not consider the existence of a Bank of undoubted credit, such as the Bank of England, a great advantage to commerce in the Metropolis?—I believe that the Bank of England, or any Bank properly conducted, is of great advantage to commerce.

3861. Do you think it advantageous for the commercial classes, that such a Bank should make use of its resources to support commercial credit, in cases of commercial difficulty, by giving commerce the great assistance which the Bank gave at the close of the year 1825?—In that case the event justified the measure, but it can hardly be considered justifiable in principle, in a Bank professing to pay its notes upon demand in coin; it was a measure which I should say was rather empirical, but it succeeded.

3862. Do you not think it is advantageous, that if a Bank has immense resources, it should occasionally apply those resources to the assistance of commerce?—I cannot easily conceive a state of things in which, without previous misconduct in the Bank and the Banking establishments generally, there can be any need by the commerce of the country of such assistance; the only case for such assistance would arise out of the Usury Law; if the Usury Law did not exist, I should say that the circulation ought not to be connected with any attempts at assisting commerce, if that assistance can be rendered only by enlarging the issue beyond the amount which might otherwise be required for the circulation.

3863. If at the end of 1825 the Bank had not acted upon that principle, what do you think would have been the consequence to the commerce of the Metropolis?—I find it hardly possible to reason upon a hypothetical case of that kind, of which we have no experience; I think that if the pressure upon the Bank had continued, it must have stopped payment, and then we know very well that a restriction would have taken place, and meetings of the merchants, declaratory of their disposition to take Bank notes in payment, and all that followed the former restriction. The metals were on the point of flowing in, and did soon after flow in so largely, that the embarrassment, though severe, would have been only momentary.

3864. Supposing the Bank had taken an opposite course, and had refused to give the accommodation, and had endeavoured merely to reserve its own bullion, without attending to the state of distress and pecuniary embarrassment of the mercantile classes in the Metropolis, what do you think would have been the consequence?—I think it would have been chiefly felt in further depression of the public funds, and certainly in a severer commercial distress; but I do not see in what way the resources of the country, or its trade, would have been substantially affected. There would have been an enormous aggravation of private distress, but it could, in the nature of things, only have been of the shortest possible duration.

3865. Do you not consider that that great aggravation of individual and private distress is very detrimental to the general commercial interests of the country?—I should say not to the general commercial interests of the country; it would be a matter of sympathy with the individuals, but I do not see in what respect the substantial resources of the country would have been impaired by it; there would

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have been no alteration in the quantity of commodities, or in the amount of capital, although the distribution would have been temporarily deranged.

3866. Is it your opinion that it would be advantageous to establish other Banks of issue in the Metropolis, besides the Bank of England?—I do not see any more reason for the establishment of two or more Banks for the coining of paper for the Metropolis, than I should for the establishment of two or more Mints for the coining of the metals; I conceive that there is no possible advantage to set against the probable inconvenience.

3867. Do you think there would be any probable inconvenience?—Yes, I do; the inconvenience might not be very considerable, but whatever there was would be perfectly gratuitous.

3868. Will you state what you conceive would be the inconvenience?—If a single source of issue is sufficient, of course the degree of inconvenience attending any addition to it must be matter of very vague conjecture; each of the two Banks would either, if they were in competition, try by extended accommodation to increase their issues, when the demands of the circulation did not really justify it, or they would only between them grant the same accommodation, and issue the same quantity of paper, with the same proportion of reserves. In the former case there would be a fluctuation of enlargement and contraction beyond the occasion, and an increased danger of eventual suspension; in the latter case there might be no particular inconvenience, but I do not see the possible advantage.

3869. Do you think that a competition between different Banks of issue would prevent such mismanagement as you have stated to exist on the part of the Bank of England during the end of the year 1824 and 1825?—If the rival Banks or the several Banks were not liable to the sanction of publicity any more than the Bank of England was, I should think the chance is that they would have equally misconducted themselves under similar temptations, and there would then have been a certainty of an event which had nearly happened, but which we escaped, namely, a suspension of cash payments.

3870. Do you think there would be greater probability of a suspension of cash payments if there were rival Banks of issue in the Metropolis, than if there be only one?—I should say so; particularly if they were not subject any more than the Bank has been to the sanction of perfect publicity of its engagements compared with its means of discharging them.

3871. Do you think that the sanction of publicity would have a tendency to prevent the danger of a suspension of cash payments?—I can hardly conceive any other check that can be proposed against occasional mismanagement.

3872. Would there be no danger from publicity, that, when the treasure in the Bank was low, it would be entirely drawn out?—There might be possible inconvenience occasionally in the publicity; at the same time it appears to me that this would be a very trifling consideration, as opposed to the inestimable advantage of additional security which would be derived from it.

3873. Do you not think that if the treasure of the Bank was reduced, the effect of publicity would necessarily be to cause a run upon the Bank?—I should say that a knowledge by the Bank Directors of their being liable to have the amount of their treasure canvassed by the Public, is the best security, and the only security that I am aware of against its being reduced below what it ought to be.

3874. In what way is it your opinion that a Bank ought to act upon the treasure in its hands?—I do not consider that a Bank issuing paper money payable on demand, situated as the Bank of England is, and having to supply upon emergencies the demands of Country Banks, that is, of all other Banks of circulation in the country, can be considered perfectly safe, with a treasure much less than half of the amount of its notes in circulation; and I think that if it were subject to a publication, periodically, of the amount of its treasure, it would and easily could so manage as to have whatever might be considered a sufficient reserve existing at the time when the publication took place.

3875. Do you take into consideration in that answer the amount of the other liabilities of the Bank, besides the paper in circulation?—By “other liabilities” I understand the amount of deposits they may have from the Bankers of London, or from customers, upon the usual banking principle; I am not quite prepared to say that I should go that length; I should conceive that, generally speaking, one-half the amount of their notes in circulation would be a sum sufficient to answer any probable exigencies, and that if the Bank were constantly under the regulation which

which such publicity would enforce, it would rarely have occasion to find its treasure under that amount.

3876. Does not the amount of treasure which it is necessary for the Bank to maintain in order to meet its notes in circulation, depend very much also on the amount of its other liabilities?—Yes, I admit that, but I am not quite prepared to answer, without more knowledge than I have of the fluctuation which the treasure was undergone since 1819. In order to judge correctly on this point, a great deal should depend upon what had been found to be the degree of fluctuation in that interval. It would indeed have been highly desirable, if in 1826, or at any time when the conduct of the Bank affairs had been under consideration in Parliament, a publication had been made, not only of all their engagements, but of their treasure and other effects. Historically, it would have been very valuable, in enabling the Public to form a decision upon the mode in which the Bank had been conducted; and I cannot conceive upon what grounds that detailed information was withheld in 1819. The Directors gave to the Committee a sort of mystical scale of cash, bullion and discounts, but the amount that the scale represented was withheld. Now I cannot conceive why the Public is not entitled to know how the currency has been administered, and supposing the state of its treasure had been published down to within a year of the time at which the Committee sat, I cannot see what possible injury could have arisen.

3877. If it should be supposed that there was any inconvenience or danger in the publication of the amount of bullion at the time, do you apprehend that the publishing what had been the amount of bullion at some previous period, say six months previous, would be at all advantageous, as giving any check upon the management of the Bank?—Yes, I think it would be most desirable to have the Account up to the latest possible period; but if that were determined to be inexpedient, it would be still highly desirable to get it for some recent anterior period. Next to a publication up to the most recent period, that would be highly desirable, and would go a great way towards affording the security I propose from publicity.

3878. In what way would it afford that security?—By the conduct of the Bank being, in consequence of that publication, open to the exercise of public opinion. The consciousness which the Directors would feel that every part of their management was liable to be canvassed upon a real knowledge of all the facts, would, in my opinion, operate as a very considerable and beneficial sanction.

3879. When there is a drain for bullion upon the Bank of England, do you consider that they ought to act artificially upon the circulating medium, that is to say, that they ought to act upon the circulating medium, by taking any steps beyond the effect of the drain itself, in order to diminish the circulation of the country?—I should say, generally, that a suppression of paper to the amount of the drain would, in any case that I can conceive, be sufficient.

3880. Do you think that if they acted upon the circulating medium beyond the suppression of the notes that came in for the drain of bullion, it would have any bad effect upon the state of credit in the country?—That must necessarily be a question of degree; there is no doubt that in whatever degree any suppression of the paper beyond that received in exchange for gold might take place, would operate in raising temporarily the rate of interest, and according to the extent of the rise in the rate of interest would be the effect of any sudden contraction on the state of credit in the country. There rarely is any drain upon the coffers of the Bank without a rise in the market rate of interest.

3881. Would the Bank, acting upon the principle of contracting the circulation of the country beyond what the drain upon its own bullion would effect, produce an unnecessary fluctuation in the value of money?—Doubtless it would occasion fluctuation in the value of money; at the same time very much in that respect would depend upon other circumstances prevailing at the time; if there was also a tendency to re-action from speculation, it would of course make the fall of prices more rapid; I am not sure that in such case the distress would be much greater, because in the other case it would be prolonged in its duration, and in this case it would be shortened.

3882. Do you conceive, then, that a sudden fall of prices is productive of less distress than a gradual fall of prices?—I am not quite clear on this point; I know, however, many instances in which persons have been ruined by a gradual fall of prices, who would have been safe if it had been a sudden one; nothing is more injurious to parties who continue to hold, than a long protracted fall.

3883. Is it your opinion that if the fall in prices is equal in amount, it is less

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detrimental to commerce that it should take place at once, than that it should take place gradually?—In a very large proportion of cases, I should say it is better that it should take place immediately; there never is, in any particular article of any trade, a sound state, till the impression has become perfectly general and confident in all classes of consumers, that the price has seen its lowest; every body knows, who has any experience in trade, that the moment such impression prevails, there is an end of distress among the persons concerned in that particular article.

3884. Do you think that by any management of banking the fluctuations in the value of money consequent upon the Exchanges could be prevented?—I do not think fluctuations, to the extent of those which have taken place in the last three or four years, can be prevented by any management of banking. I believe that the circulation has been exceedingly well conducted during that interval, for there were some trying circumstances, and occasionally, I believe, a considerable drain. But the variations were not very great in the Exchanges. Of course, upon the present footing of the coinage, and the liability to the conversion of paper into coin, there can be no great range in the actual quotations of the Exchanges, the drain may be very considerable, while the indication of the Exchanges is not so.

3885. During the last three or four years, when you say that the management of the Bank of England has been correct, have the fluctuations been sudden or gradual?—I think they have been as gradual as the nature of things would have admitted of under any management.

3886. Then in that case it appears, according to your opinion, that the management of the Bank of England having, so far as they were concerned, produced a gradual fluctuation, that goes to prove that their management was correct?—Yes.

3887. Do not you think that, considering the Metropolis as the point on which the foreign Exchanges more immediately act, and that the Metropolis is also the centre of the internal commercial transactions generally, there are reasons for having one source of issue of paper applicable to the Metropolis, which are not applicable in the same degree to country districts?—I should say, that but for the difficulties of detail, I should prefer one source of issue for the whole kingdom; but unless that were under the direct management of the State, I do not well see how it could be effected.

3888. Must one Banking establishment, which is the sole source of issue in the Metropolis, have the means of exercising a greater control over the circulation of the Metropolis, and indirectly over the whole circulation of the country, than it would be possible to exercise if there were a number of rival Banking establishments?—Yes, I include that consideration in my preference of one Bank to more.

3889. Assuming that the principle which ought to regulate paper money is well understood, is there not a manifest advantage in having a single source of issue?—Unquestionably.

3890. Supposing it should be shown that at any period the Bank of England did not understand that principle, or did not act in conformity with it, do you think it probable that the existence of another Company would have afforded any remedy against such an error; is it not probable that the other Company would have partaken of the same error?—I have no doubt it would have partaken of the error, and have aggravated the consequence.

3891. Supposing that other Company shared the error of the Bank of England, is it not probable that the evil would have been greatly aggravated?—Very considerably.

3892. Do you not think that one disadvantage of the establishment of rival Companies in the Metropolis, would be to diminish that sort of responsibility under which the Bank of England act, as being the sole source of issues?—That is one of the inconveniences I have in contemplation.

3893. Is there not a danger, supposing there were rival Companies, that either they would counteract each other by competition, or they would find the expediency of coming to an understanding, which would deprive the Public of the advantage of that competition?—I think I included that consideration in one of my answers, as giving, in my opinion, a complete negative to any prospect of advantage from rival Banks.

3894. Do not you think that there is great public inconvenience in unsettling a system of currency established in any country, unless there is some manifest evil to be remedied, or some great advantage to be gained?—That is a consideration that would weigh with me in the preference of the present system, by which the paper circulation of the Metropolis, and which consequently more or less regulates

that of the rest of the community, is administered; not but that I imagine it is possible to conceive that under proper regulations an issue of paper by the Government might be preferable; but I perfectly concur in the supposition involved in the question, that even if it were clear that an issue of paper through some other channel might be more advantageous if we had to begin the system of currency *de novo*, yet the advantages might be no compensation for the inconvenience resulting from a change.

3895. Do you think there is any such manifest evil in the present state of the law with respect to the great principles of the currency, by which is meant the establishment of the gold standard, and the prohibition of the issue of small notes, as would induce you to advise any great alteration of the law in those respects?—I should say, certainly not; I believe that with the improved experience which the Bank seem to have acquired in the management of its issues, and with the security that I would propose for the continuance of such good management, by constant publicity, the system unites nearly all the advantages that can reasonably be expected.

3896. Even supposing it could be shown that it was not the best system which, *a priori*, might have been established, still do you think there would be such practical evil in departing from it now, that you would advise an adherence to it?—I should unquestionably advise an adherence to it, subject to the security I propose; I confess, that without that security, I think we should be on very unsafe ground, for although the management has been, as I conceive, very judicious during the last few years, yet as that management is liable to change with the individuals more immediately intrusted with the management of it, we might be liable again to such deviations as have already occurred, unless there be the constant check arising from the sanction of public opinion, exercised upon a knowledge of the mode in which the affairs of the Bank are conducted.

3897. Do you think that the advantages to be derived from publication of the Accounts of the Bank are such as to make that change in the present system desirable, notwithstanding the disadvantage of any change at all?—I do not consider the publication to be a change in the present system of issue, which I have expressed a wish to retain; I conceive that the advantages arising from the security which publicity would afford, do outweigh any probable inconvenience; at the same time I beg leave to say that though there may be inconvenience, I am not aware of what precise nature it is likely to be, nor that it is likely to be at all considerable. I think that the speculations, upon conjecture, and upon what may be supposed to transpire by hints or by any incidental information, is of a much more dangerous description than the absolute knowledge of the fact; I do not admit, as far as I can judge, that there would be any decided inconvenience.

3898. Does your answer respecting publicity, apply only to the effect of a foreign demand for gold, or does it include the effect of a domestic demand for gold from other causes?—It applies to both; if the Bank of England is in possession of such a treasure as I think it ought to have, and which it would be culpable if it had not, I do not see any speculation that can arise upon it, if its treasure is reduced very low; that is a state of things which I should propose by the publicity to guard against.

3899. What measure would you take to guard against it?—By constantly suppressing the notes as the demand for gold arises, or, if necessary, in a greater degree.

3900. Do you think the system of Banking of this country has been altogether a very successful one?—There have been instances of very great deviations from correct rules of administering paper currency.

3901. Were there not immense losses in 1793?—Yes.

3902. Were not the suspension of cash payments in 1797, and the consequent depreciation, and the restoration of the standard, great evils?—They were great evils, although I believe that, great as they were, they have been enormously exaggerated.

3903. Were not the losses sustained in 1815 and 1816 described by Mr. Horner as greater in amount and of more ruinous destruction than any thing that occurred since the Mississippi scheme?—They were great, but I think that in that opinion Mr. Horner exaggerated the part which the Bank circulation had in the revulsion which took place in 1815 and 1816.

3904. Was there not in the year 1825 great destruction of property in consequence of that system of Banking?—There is no doubt that the circulation was very much mismanaged at that time.

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3905. All those great losses having been sustained under the present system, what has happened, either by Act of Parliament or by other means, to place the system of banking now in such a state that it deserves to be considered as uniting all the advantages that can be reasonably expected?—I have all along coupled my opinion of the advantages of continuing the present mode of administering the paper circulation for the Metropolis, with requiring for the continuance of proper management the security which I conceive will arise from a publication of their Accounts, for I believe that the mismanagement which occurred at the several periods just referred to, would not have taken place if the Bank Directors had been sure that the state of their Accounts would be constantly or at very short periods before the Public.

3906. Supposing you to be correct in your opinion, what power does the Bank of England possess so to control the issues of Country Bankers paper as to prevent Country Banks from doing what they did in the years 1824 and 1825, namely, at a period of great over-trading, increasing their issues to the great amount which they did at those periods?—I conceive that the Bank of England has a very imperfect power of controlling the country circulation; and that is the ground on which I stated, that were it not for great difficulties of detail, I should prefer the circulation for the country emanating from the same source as that for the Metropolis. There can be no doubt that the Bank, under particular circumstances, is liable to a very great and sudden drain in consequence of the misconduct of the administrators of the country circulation.

3907. If the Country Banks issue their paper without reference to the state of Foreign Exchanges, and in proportion to the demand upon them for it for good bills, and so forth, is it not in the power of the Country Banks to create a redundant currency, though the Bank of England may, as far as it is concerned, do nothing towards that end?—For intervals of some length that may be the case.

3908. In our present system of banking, are we not exposed to all the evils that necessarily follow a state of redundant currency, a fall of exchange, a fall of prices, a panic, and drains upon the Bank of England?—As long as we have paper money issues as a great part of our circulating medium, I do not see how that evil can be altogether avoided. As I said before, if the Bank of England or a Government Bank was the sole source of issue, that inconvenience might not arise. But the competition of banking necessarily gives rise to that risk; and I do not see how that can be avoided, unless possibly, that Joint Stock Banks were to be substituted for the present system, and they were likewise subject to the condition of publishing their Accounts; that might be some check; but at the same time I am not prepared at present to give a confident opinion about the details of the country circulation, because, excepting the manner in which it has contributed to the derangement of the circulation generally, I am not sufficiently acquainted with the details of the mode in which the Country Banks manage their circulation.

3909. Suppose that instead of one Bank in London there were several Banks, and that, as would probably be the case, each London Bank had for its correspondents several Country Banks, in this manner, that each Country Bank should deal with one of those London Banks, would not that establish such a communication between the London Banks and the Country Banks as to give the London Banks an efficient control over the Country Banks, and thus prevent that mischief which may now arise under the present system of Country Banks?—I do not see how it should do so, not only not better, but I do not conceive that it would do it so effectually as the present system.

3910. If the London Bankers issued their own paper, what difference would there be between the present system and that suggested in the last question?—I do not see any.

3911. Do not you think that the chief security of the Public, under any state of the law, must lie in the integrity and judgment of the persons that enter into Country Banks?—That must be under the present system of course our chief reliance. We know that there has been very great mismanagement in the country circulation; and the practice that existed, of every petty shopkeeper, who could in his immediate circle prevail on his neighbours to take his paper, with or without possessing the means eventually of discharging it, was certainly a very bad system; I believe that such was the necessary tendency to excess of that system, that a crisis something like that of 1825 was a necessary mode of purifying it.

3912. If a Country Banker, issuing his own paper, had for his correspondent one of the London Banks, also issuing paper, would not there be a new species of control

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control over the Country Banker, arising from the interest that the London Banker would have in checking him, and preventing him from issuing to excess?—None, that does not exist in the present case of the London Banker; the London Banker has just the same interest in preventing his correspondent from over-trading that he would have if he issued his own paper. I do not see that his issuing his own paper makes any difference in the case.

3913. Would not a London Banker issuing his paper, and being therefore subject to all the mischief that would arise from a general over-issue, be more interested in preventing his country correspondent from committing an error in regard to his issues than a private Banker of London now is, who does not issue paper?—I have no conception why.

3914. Is not the Banker in London an issuer of Bank of England paper?—His book credits to his customers are virtually the same as an issue of Bank of England paper.

3915. Has he not a manifest interest in taking care that there is not an over-issue on his part of Bank of England paper?—Exactly; I have stated that I see no reason arising from his circulating his own paper, that would give him a greater interest in checking the over-trading of his correspondent than he now has.

3916. When Mr. Horner spoke of evils attending the practice of the Bank in 1815, was not he referring to circumstances which took place under a very different state of law from the present state of law, inasmuch as in 1815 the Bank of England issued its paper irredeemable in gold?—Yes.

3917. Therefore any remarks that Mr. Horner made upon the system of banking in 1815 will not necessarily apply to the present system of banking?—Certainly not.

3918. Supposing that the true principles of banking are much better understood at the present time than they were in 1793, 1797, or in 1815, have not the Public a security with respect to the stability of banking now, which they had not at those antecedent periods, even although there might be no great change in the law?—I think that is a security that would last for some time. Such a lesson as the administrators of our currency received in 1825 and 1826 is calculated to influence the practice of banking for some years. But we know that generations do not always act upon the experience of their predecessors. There are periods of confidence in which all ordinary maxims of prudence are neglected, and then the probability is, that the individuals administering a paper currency would participate in it; and all banking is in its very nature liable to abuse. The crisis of 1825 and 1826, severe as it was, was not only necessary to a purification of the Country Banking system, but it was likewise necessary as a corrective of the London system of banking. There may be over-trading by the Bankers in London in undue advances out of their deposits; and though the general banking establishments of London stood pre-eminently high in that crisis, yet there were instances of very great and very culpable deviation from correct banking principles; and I believe that the occasional commercial revulsions and failures of the issuers of private paper are a necessary condition of a large commercial community where a great part of the transactions is upon credit.

3919. If the Accounts of the Bank of England were published, would it be necessary to give equal publicity to the Accounts of other Banks of issue in the country?—I should say in the first place, as to the right of requiring it on the part of the Public, there is no question, because the privilege of issuing paper money is a delegation of that which is universally considered as a privilege residing in the State; but with regard to the expediency of it, I am not so clear as in the case of the Bank of England, which is invested with a variety of powers and privileges, and which has the regulation in a considerable degree of the rest of the currency. Unless some inconvenience was stated which I am not aware of, I should say that every issuer of paper money ought to satisfy the Public that his circulation is prudently conducted.

3920. If the publication of the Accounts of the Bank of England made them liable to greater drains upon their treasure, would it not be desirable, for their security, that they should know what the state of the country circulation was, and the security on which it rested?—That would certainly afford an additional security to the Bank of England in the management of its issues; but I am not prepared to say, unless the Country Banking were generally on the footing of public Companies, that it might not be attended with objections in detail.

3921. Do you think it would be possible for any private Country Banker to publish

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publish the amount of his immediately available assets with safety to himself?— I am very sure that it would be conducive to the general safety of banking business ; and I am not aware that if it was matter of constant practice, it would be attended with any insecurity to the Banker.

3922. Would it not make him liable to runs being made upon him by rival establishments, or by persons from private hostility?—Not if he took care to have a sufficient reserve upon correct banking principles.

3923. What should you consider a sufficient reserve for a private Banker upon correct banking principles?—I have not had sufficient experience in the details of the business of Bankers to say.

3924. Is it possible for a Banker to carry on his business with any degree of profit, if he is to be prepared at all times to pay the whole of his liabilities?—That is in my opinion a case that is not at all of probable occurrence ; I should say it is almost a moral impossibility.

3925. Do you mean to say that it is a moral impossibility for a Banker to keep in reserve sufficient to discharge all his liabilities?—I mean to say that it is so great an improbability as to amount almost to an impossibility that he should be so suddenly called upon as not to admit of his converting his securities in sufficient time, if they have been taken with proper caution.

3926. Do you think that a private Banker ought to possess no securities whatever, but what are immediately convertible?—Much must depend upon the mode in which the private fortune of the Banker is invested. If he invests a large portion of deposits, without looking to other sources from whence to answer his liabilities, he must take care to have his advances only upon readily convertible securities, or on short dated bills.

3927. Do you think, then, that a private Banker ought to possess a sufficient amount in immediately convertible securities to discharge the whole of his liabilities?—I am not sufficiently acquainted with the mode of management in detail of London Banking business to answer that question satisfactorily.

3928. If the Banker had not the means in immediately convertible securities to discharge the whole of his liabilities, might not the publication of his Accounts place him in a situation in which he would be compelled to stop payment?—No, I conceive not, if the partners composing the firm were of undoubtedly large property.

3929. To what extent of detail would you require the publication of the assets of Country Bankers?—I have not stated that I am prepared to give an opinion in favour of the publication of the Accounts of the Country Bankers ; as long as they are private establishments, I do not see that it would be desirable to apply the same sanction to them ; I should prefer, certainly, that the issue of paper in the country, as well as in town, was confined to large establishments.

3930. What distinction should you draw between a person who issues to a very large amount bills of exchange, and the person who issues cash notes, as far as regards his credit?—The difference is, in my opinion, a very important one ; the distinction between bills of exchange and notes payable to bearer on demand is this, that notes payable to bearer on demand ought for all purposes of convenience to pass from hand to hand without the slightest question of the credit of the party ; it ought to be as unquestioned as the coin for which it is substituted ; persons receiving a cash note, of whatever the amount, ought to be enabled to take it with as much confidence as they would the current coin of the realm, for which it is substituted. A bill of exchange passes upon the credit of the indorsers as well as the drawers of it, and by the multiplication of indorsements upon bills of exchange there is a degree of credit that nothing but Banks of the most notorious wealth can equal ; I believe accordingly that that sort of bills of exchange is a very sound description of circulation, but it is only as a mode of economizing the currency, it is not what I consider a part of the paper money, or properly speaking, the currency of the Kingdom.

3931. Does not a cash note circulate upon the credit of the party who issues it?—It originally gets into circulation in that mode ; but for the purposes of convenience, the party taking it ought to have no question at all about the credit of the party issuing it.

3932. Is the party who receives it bound to take it, if he is not satisfied of the credit of the issuer?—No ; but the whole question of currency is one of convenience, and it is a very inconvenient thing that in each transaction of purchase and sale, through the medium of what is considered money, there should be any question at all of the credit of the person issuing it ; there is no question upon the credit

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credit of a Bank of England note, and I should say that the credit of the Country notes ought to be exactly as unquestioned.

3933. Supposing that the cash of the Bank of England were to be completely drained, do you not think that in that case the credit of the country would stand upon a better footing, if some provision was made by which the Government could immediately have recourse to issuing paper upon their responsibility?—Government may do it at any time with the sanction of Parliament; but perhaps I do not exactly seize the case that has been put to me.

3934. Do you not think that if preparations were made for such a state of things, it would add considerably to the degree of confidence that persons would feel in the paper circulation of the country?—I conceive that it would: but for the danger of making the paper circulation subservient to the purposes of Finance, I should say that all paper money ought to be issued by Government, just upon the same ground that coin is so issued as the exclusive privilege of the State.

3935. Considering that the Government already have a very large circulation of exchequer bills payable within a given period, do you think it might be advisable that the machinery should be in preparation by which those exchequer bills should be divided into small sums of issue for the purpose of currency, in case of the failure of the treasure of the Bank?—I should say that any event leading to a failure of the Bank can hardly, with the sanction I propose of the publication of their Accounts, be contemplated as likely to require the interference of Government in that way; I think that there would be time enough for that expedient when the emergency should arise.

3936. If the emergency should arise, should you see any objection to the Government dividing their exchequer bills into smaller sums, subject to all the same conditions, and subject to the same time and mode of payment that a large exchequer bill is subject to now?—I conceive there would be considerable inconvenience, upon this ground, that every transaction through the medium of exchequer bills involves a calculation of interest; but, otherwise, there would be no objection to the Government paper, under proper regulation; the difficulty is as to the proper regulation of it; and I do not see any advantage in making exchequer bills serve that purpose, which would not apply to notes payable to bearer at once in the form of Bank notes.

3937. The gold of the Bank being exhausted, and the Government having no gold of their own, could the Government issue notes payable to bearer?—Then the Public would not take exchequer bills, unless they were made a compulsory currency; which, for such an emergency, would be absolutely necessary.

3938. Might not those notes be payable sometime after date, in the same manner as the exchequer bills?—Then they would be at a discount. I think that it would be a cumbersome sort of expedient; it might be adopted, however, for a limited time, as an expedient for the emergency supposed.

3939. You have stated that the Bankers who issue paper notes have a privilege similar to that of issuing coin; is there not this very material distinction, that the one possesses value for the amount it bears, and is receivable as a legal tender, while on the contrary the other is not?—Yes; and that strikes me to be a most extraordinary circumstance connected with the country issue of paper money, that whereas Government invests with a number of sanctions the privilege of issuing coin upon the intrinsic metal, by which nothing is to be gained, it should allow individuals the privilege of coining it upon a material which in itself is worth nothing, and consequently upon which there is a very great gain by the substitution of it for the other, which is of intrinsic value. I am always supposing that it is convertible into gold; but it is a source of profit, which coin is not, and therefore I conceive that the State is entitled to a very large portion of the profit arising out of that circulation; what may be a just, convenient, and secure mode of obtaining a sufficient share of the profit arising from that circulation, is a question which I am not prepared to enter into.

3940. You are aware that there is a considerable stamp duty upon Bank notes?—Yes; that is in the nature of the participation that I have in contemplation.

3941. Is a Bank note any thing more than a piece of paper issued upon the credit of the person who issues it, and who is eventually obliged to pay it in the legal coin of the realm?—Yes, it is more than that, because, for the purpose of currency, by the very definition of the term, it means that it should pass from hand to hand, without an examination of the credit of the party issuing it. That is the

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case with coin, and the note that passes as a Bank note should pass as current as the coin.

3942. What is the distinction between a Banker who pays his customer in 5 l. notes, and a gentleman who pays his tradesman in cheques upon his Banker; are they both not equally cheques upon the London Banker?—No; by custom and by law, if a cheque is not presented immediately, no recourse can be had in the event of the failure of the Bank upon the drawer of the cheque. The circulation of the Country Bank notes goes over a large district, and is kept up in the same way as coin, but that is not the case with cheques upon Bankers.

3943. A note itself is no more than a promise to pay on demand a certain sum of money at a certain place; is it not then entirely at the option of the person who takes it, whether he gets it cashed immediately, or whether he passes it into circulation; and is it not the same as dealing with a cheque, which frequently passes through many hands before it arrives at the Banker who has to pay it?—It is the circulation that forms the essential difference. The cheque passes, with very rare exceptions, from the drawer immediately by the bearer to the Banker for payment; but a Bank note is to the extent of its circulation a substitution for coin in detailed payments.

3944. If that circulation pervades the country, is it not by common consent, seeing that those persons have the power of taking it to the Bank and getting it exchanged for gold at any moment they please?—Yes; but it is the necessity to exercise caution, and to make inquiry as to the credit of the issuer, or the alternative of applying for gold, that constitutes the inconvenience that I ascribe to any but notes of such solidity as are beyond all question.

3945. You have stated in a former part of your evidence, that if you were to begin *de novo*, you should prefer having only one Bank of issue for the whole of the country; and you were understood to state since, that you would prefer that all Banks of issue in the country should be Joint Stock Banks, in preference to private Banks?—I should say that, upon the whole, the Joint Stock Banks would present greater security against such a Banking crisis as occurred in 1826, than any system of circulation conducted simply by the competition of private individuals would do.

3946. Would not the establishment of Joint Stock Banks throughout the country act in direct opposition to the principle of having one Bank of issue for the whole country?—Yes, undoubtedly.

3947. If you think it would be more desirable to extend the issue of one Bank throughout the whole country, why should you wish to establish Joint Stock Banks?—I have no particular wish to establish Joint Stock Banks beyond the consideration of the greater security than they would afford than an unlimited competition of a smaller number of individuals; at the same time if it were not for the greater cumbersomeness of the machinery, which is already as much as any set of Directors are likely to manage correctly, I should prefer Branches of the Bank of England to Joint Stock Companies.

3948. If the mode by which the Bank endeavours to rectify the Exchanges is by contracting its issue, how does that contraction of the issue of the Bank act upon the Exchanges?—It operates in two modes, namely, by its tendency, *ceteris paribus*, to reduce prices and to raise the rate of interest; it therefore tends ultimately, though perhaps not immediately, to increase the export and to diminish the import of commodities and to check the transmission of capital.

3949. If you were understood in a part of your evidence to have stated that the increase or contraction of the Bank's issues did not operate upon prices, was that a misunderstanding?—I expressly guarded myself by saying *ceteris paribus*, all other things being the same; my objection is to the assumption of the constant influence of the amount of the issues of the Bank of England upon prices, without a consideration of the circumstances existing at the time of enlarged issues or of contraction.

3950. You have said that in 1808 a general rise of prices took place without any addition to the circulation of Bank of England notes; how did that diminution of the circulation operate upon the Exchange?—The question involves a mistake, as to the fact. At the close of 1808 there was an addition to the circulation, which protracted the duration of the speculation, although it did not prevent its ulterior revulsion.

3951. Then it would not operate immediately, but at a distant period of time?—It always takes some interval.

3952. Would

3952. Would you consider it to be an effectual means practised by the Bank of England to remedy an unfavourable course of exchange, taking extraordinary means to diminish the circulation?—Such means as in their experience they would find to be effectual.

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3953. From your experience, would they be effectual?—It would require some interval. In the instance of 1808, if the Bank had simply not added to its circulation, as it did between the close of 1808 and August 1810, the speculations referred to would have been much more rapidly terminated, the Exchanges would not have declined to the extent that they did, and the paper would ultimately have preserved its value compared with gold.

3954. In case of the substitution of Bank of England paper for Country Bank paper, should you call that a transfer of capital from the Country Banker to the Bank of England?—No, I should not.

3955. What term should you apply to the circulation or to the money upon which the Country Banker has issued his paper; should you not call that capital?—Neither paper nor credit of any kind can be called capital.

3956. Would you call them investments?—Yes.

3957. Then you would call that upon which the Bank of England has issued its twenty millions of paper, investment?—Yes, investments in productive securities; all that is issued upon securities bearing interest, from whence they derive income, I should call productive securities.

3958. Supposing a Country Banker to have issued his country notes upon the productive securities of persons in his own neighbourhood, in case the Bank of England notes were substituted, must he not call upon the persons issuing those securities for the repayment of all that money?—Yes, but the Bank might equally lend it.

3959. Then, in point of fact, the difference would be, that the Bank of England would afford that accommodation which before had been afforded by private Bankers?—Yes.

3960. Do you conceive that throughout the whole of this kingdom it would be possible for the Directors of the Bank of England to afford that accommodation to the Public, with the same degree of profit and the same degree of judgment with which it is now afforded by persons perfectly well acquainted with the situation and habits of the country and the proper mode of applying it to purposes the most productive of advantage to themselves and consequently to the country?—I should object upon principle to an issue of paper money, whether in the Country or in the Metropolis, through the medium of discounts or accommodation to individuals, and for this reason, that the demand for accommodation in the way of discount or loan by individuals, is very often, if not generally, in exactly an inverse ratio to the demands of the circulation, so that at the time when there is the greatest inducement among the customers of Country Banks or of the Bank of England to borrow, is very often precisely that period at which it is most essential to contract the circulation; therefore there is very often an excess of issue through the medium of private credit, which would not occur if the issues were regulated upon the principle of substitution of paper for what otherwise would have been the circulation of gold. I believe the question assumes that the accommodation in the way of loan, to persons in the country having sufficient security, and proposing a beneficial employment of the capital, would not be afforded unless it was through the medium of the issue of paper money by the Country Banker; now I conceive that the functions of a Banker in the distribution of capital, that is, in accommodating individuals who require advances upon adequate securities, may be afforded without the issue of any paper money, that is, an advance of capital which may be afforded out of his deposits, upon banking principles distinct from the issue of paper money.

3961. Could he afford the same degree of accommodation if his circulation were taken from him, that he can under present circumstances?—I do not see why he might not; the loan is ultimately out of capital. If by an issue of paper he lends more than he could do without an issue of paper, he lends only that capital which would otherwise have been lent through some other channel to some other person, perhaps equally or more deserving.

Jovis, 12^o die Julii, 1832.

THE RIGHT HON. LORD VISCOUNT ALTHORP, IN THE CHAIR.

Thomas Tooke, Esq. called in ; and further Examined.

*Thomas Tooke,
Esq.*

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3962. HAVE you turned your attention to the mode in which capital is employed, distinguishing the agricultural from the manufacturing classes?—Not to the precise mode in which capital is employed ; I can only form an opinion upon the general distribution of capital.

3963. In that general distribution, do you conceive that there is at present, considering the rate of interest and the state of the money market, sufficient capital for all commercial and manufacturing purposes that are likely to be profitable?—I am not perfectly clear that the question admits of any distinct answer ; the quantity of capital is neither more nor less in consequence of any particular distribution at any precise moment.

3964. Is there any difficulty on the part of merchants and manufacturers, of good credit, in getting capital for the purposes of their trade?—I have not heard of any instances of difficulty of obtaining a loan of capital, upon sufficient securities, in the mercantile, manufacturing or agricultural districts.

3965. Have you any means of becoming acquainted with the state of the capital of persons employed in agriculture in this country?—No, I have not.

3966. Supposing that there should be a deficiency of capital for the purposes of agriculture, it is a circumstance that does not come within your knowledge?—More capital may be desirable, but I am not aware that any operations of banking would give the desired increase ; I would say, once for all, that in my opinion no operations of banking add at any given moment to the previously existing capital, they only serve to distribute it in an advantageous manner.

3967. Supposing that the capital employed in commerce and manufacture was redundant, and the capital employed in agriculture was deficient, would not means by which they could be placed upon an equality be advantageous for the purposes of commerce?—Undoubtedly ; but I have no idea that in the present state of information and communication there can be any difficulty in supplying adequate capital, from any of those branches in which it is redundant, to any one in which it may be deficient.

3968. Supposing a farmer wants a temporary loan upon the credit of his stock of corn and cattle, could he get that from any part of the circulation of the Bank of England?—I am not aware that he could ; at the same time I would observe, that no part of the opinions I have delivered would militate at all with the expediency of continuing local Bank establishments, which would be able to obtain adequate information to serve for guiding them in making loans of the description mentioned in the question.

3969. You would think it, then, desirable that local Banks should remain for the purposes of giving occasional assistance to agriculturists?—For the purpose, I should say, of distributing the capital upon the ordinary principles of banking, independent of that part of the banking business which hitherto has consisted in the issue of paper money.

3970. Do you admit that, provided the Country Bankers retain their circulation, they would have greater power of affording such facilities, than if that circulation were to be totally transferred to the Bank of England?—I am not prepared to admit that the means of the Country Banker to afford accommodation in the way that it has hitherto been afforded, would be materially impaired by the absence of the power of issuing their own paper money.

3971. Do you mean, then, to state, that a Bank that issues its own paper money cannot afford more accommodation in the way of loan than a Bank which does not issue its own paper money?—It cannot legitimately afford it.

3972. What

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3972. What do you mean by "legitimately"?—I mean that it cannot add to the real capital that ought to be applicable to that purpose, or would in a sound state of the currency be so applied.

3973. In what mode, according to your idea, should you expect a Country Banker to employ the amount which he receives for the paper he issues?—I am not prepared to enter into the details of the mode of country banking, with which I am unacquainted; I can only speak from my opinion of the general nature of capital, that the issue of paper does not create capital; that in the case of a Banker issuing paper money, he advances his credit, while the capital he thus commands and transfers, is that which already existed, and might have been equally applicable in the way of a loan through some other channel.

3974. If he has a circulation of 10,000 *l.* would he not safely employ 1,000 *l.* of that in loans?—The subject is one involving a great deal of intricacy in following out the details, and is connected with so very much ambiguity of expression, that I cannot satisfy myself in answering questions of this description without more preparation than this mode of examination would afford.

3975. Do not you think that in fact it is not the best way of acquiring an accurate knowledge of doubtful questions of this nature, arriving at them by unprepared examination?—I am decidedly of opinion that in an unprepared examination upon subjects embracing so many considerations and requiring such innumerable qualifications, it is scarcely possible to state an opinion that shall not be liable to misconception in very essential particulars.

3976. In your former evidence you stated, that the years 1782 and 1783 were a period of very considerable difficulty and pressure, and you ascribed the main cause of that pressure to the enlarged issues of the Bank previously taking place, and to the necessary subsequent contraction; but in a period subsequent to that you ascribed very little importance in the advance or fall of prices to an enlarged issue of notes, or to the subsequent necessary contraction; do not you think that at all periods when you see a large advance of prices, and a reduction, the probable cause of that is to be looked for in the enlarged issues of the notes of the Bank, and the necessary subsequent contraction of those notes?—In the research I have had occasion to make into the fluctuations of prices, with a comparison of the precise dates of the occurrence of enlarged issues, and likewise of the occurrence of advanced prices, as likewise of a contraction of paper and a fall of prices, I have been struck with great surprise at finding that in point of fact the sequence did not answer the previous expectation; that the most signal instances of a rise of prices, and the most signal instances of a fall of prices, have been totally unconnected in their origin with the Bank of England issues; that is, the rise of prices has preceded any large issue of Bank of England paper, and a fall of prices has preceded a contraction, and in some instances it proceeded consistently with a very enlarged issue of paper. Here I beg to be allowed to observe, with reference to that which is in my opinion a very important view in rectifying the prevailing opinions as to the causes of that extraordinary elevation of prices which was witnessed during the period of the Bank Restriction, that the whole of the rise of prices had taken place by the year 1808, that is, all the phenomena, in every instance of any important article, as likewise of wages, had taken place by the end of the year 1808; I hardly know an exception to that observation. Now that certainly was a period at which, judging either by reference to the previous circulation of the Bank of England, or to its subsequent issues, or by any received tests, the circulation was in rather a contracted than in an enlarged state. I have had occasion already in my evidence to notice that the circulation during that time was rather below what it had been for the five years preceding, and that the Exchanges and the metals were very nearly at par.

3977. Then is it the result of your experience, that though the advance and fall of prices in 1782 and 1783 was occasioned by previous issues of Bank notes and the subsequent contraction, yet, looking back over the period that has succeeded, you have constantly found that periods of an advance of prices and a reduction have not been occasioned by an increase of Bank notes and the necessary subsequent contraction?—I have not noticed in any important case that the rise of prices, or the fall of prices, has been an immediate sequence of an increase or diminution of the Bank's circulation.

3978. Do you think, then, that the operation of 1782 is an exception to subsequent

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quent experience?—I am not aware of any reference to the experience of 1782 and 1783, in connexion with prices.

3979. You were understood to have said, that during the War you had noticed than an advance of prices and a reduction of the prices was not simultaneous with increased issues of Bank notes and their contraction; does it not therefore follow that the operation of 1782 was an exception to subsequent experience?—I did not state any thing regarding prices in 1782 and 1783, and indeed my researches have not gone so far back as to lead me to know what the state of prices was distinctly in connexion with this question anterior to 1782.

3980. You stated that there were great speculations at that time, and that the main cause of that was an extended issue of Bank notes, which caused speculation?—Then I must have misunderstood the question.

3981. As you have witnessed in subsequent periods great speculation followed by an advance and a revulsion of credit, and as you have found that they were not occasioned by increased issues of the Bank previously taking place, and by the necessary contractions following, does not it necessarily follow that what took place in 1782, and 1783, and 1784, is an exception to our subsequent experience?—Really I do not see that there is any thing in the former answers that warrants that conclusion; I have carefully abstained (because my knowledge is not sufficient on the subject to be accurate) from any reference to prices in the period anterior to 1782.

3982. Can you state whether the period which preceded 1782, was a period of high or of low prices?—From a casual, although not very careful reference which I have made to the prices of that period, chiefly as connected with agricultural produce, I should say that the period about 1779, or from 1777 to 1780, was a period of very low prices, and a period when we required no supplies of foreign corn.

3983. Did any general advance of prices mark the War which ended in 1783?—I am not prepared to say what were the prices of commodities, with the exception of corn, previous to 1783.

3984. Was there any advance of general prices, or lowering of the value of money, in the War, so great and considerable as to have attracted your attention?—No.

3985. Was the Peace that followed the War a period distinguished by any remarkable reduction of prices?—Not any remarkable variation of prices, so as to have attracted my attention to it.

3986. Were there not great fluctuations, which were the subjects of inquiry and of debates in the House of Commons, accompanying that period of peace which followed the American War?—I am not aware that there were.

3987. Does your recollection enable you to say whether the period of the French War was a period of great agricultural, commercial, and manufacturing prosperity, gradually advancing?—I should say that the country was then, that is between 1783 and 1792, or between the termination of the American and the beginning of the French War, without any marked feature, as connected with prices, and that it was generally satisfactory in the increase of wealth and of population.

3988. It was stated in the Report of the Finance Committee in 1817, that the revenue, during the Peace which followed the American War, increased one-sixth in its amount, without any new tax; should not you think that was a proof of the steadily advancing prosperity of the country?—Unquestionably.

3989. Was the American War accompanied with any restriction of cash payments upon the Bank?—None.

3990. Or the Peace that followed accompanied with any return to cash payments?—No.

3991. You mentioned that in 1798 and 1799, a certain class of commodities advanced above 100 per cent. with rather a contraction of the circulation; amongst the commodities you enumerated, cochineal you stated advanced to 52 s. and 54 s.; cochineal appears to have been in the first part of the year 1797, according to a Table taken from a work of yours, at 15 s. to 17 s.; the advance on cochineal, therefore, appears to have taken place between the first part of 1797 and the middle of 1798; now the amount of Bank notes in February 1797 appears to have been 8,600,000 l. and in 1798, 11,300,000 l.; would you, then, properly describe that as an advance which took place during a contraction of the circulation?—

tion?—Most unquestionably; and it really was so, for I compare the state of the circulation with that which it had been three or four or five years preceding the Bank Restriction. Therefore, I consider it to have been a very contracted state of it, in reference to the increasing commerce, and the great increase of transactions connected with the War; but in the amount of circulation in 1798 is included the amount of the 1*l.* notes, which is only a substitution for the gold which had been previously exported, and which, when it came back, went into the coffers of the Bank, and did not go into circulation; for it does appear that the influx of metals was very great in 1798, an influx that could not have taken place without a contraction of our circulation relatively to either what it had been while the metals were flowing out, or to the currencies of the Continent; it was in the year 1798 that silver flowed in in such enormous sums, that it was the occasion of the Act, which I think Mr. Pitt brought in, for limiting the tender of silver.

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3992. In taking the amount of Bank notes in 1798 at 11,300,000*l.*, you say that included the 1*l.* notes then issued; but if it should be 11,300,000*l.*, after striking out the 1*l.* notes, would you then alter your opinion as to that being a period of contracted circulation?—No; I am speaking now from recollection; I have not before me the materials for comparing the actual amounts, but I have an impression that the circulation, deducting the amount of the 1*l.* notes, was less than it had been on the average of three years preceding 1797.

3993. It appears that the amount of Bank notes in February 1798 was 11,300,000*l.*, after deducting the 1*l.* notes; the advance in cochineal which you have spoken of took place between the early part of 1797 and 1798, would you call that an advance which took place during a contracted circulation?—I think it is hardly worth while to dwell with much weight upon the precise degree of the contraction; it would be quite sufficient for the purpose of my argument if I simply confined it to observing that there was no artificial enlargement of the circulation, no enlargement beyond such as would have taken place if there had been no restriction.

3994. You mentioned those facts in answer to an opinion expressed by Mr. Mushet, and you said that Mr. Mushet could form no accurate opinion upon the subject of prices at that time, for want of an accurate knowledge of the details of transactions in commodities; do you think statements such as you gave respecting the article of cochineal, corresponding as it does with the facts which have been stated with regard to the notes of the Bank of England, afford that contradiction to Mr. Mushet which you brought it forward to establish?—In the first place, I beg leave to observe that the article of cochineal is one of the smallest importance of the whole set that I have here noticed; but in the next place, I only mentioned that as the first in order of the instances of a total absence of the connexion which Mr. Mushet assumed as invariably existing between any great rise of prices and an increased issue of Bank notes. It occurred to me, while giving the answer, that I was perhaps diverging too much from the question, and I stopped short; I certainly might have gone on through the whole series of them, and I think I could undertake to show, to any person who would take the trouble of going into the detail, that there is a complete negative of almost every position of Mr. Mushet's, in which he attempts to connect the issues of Bank notes and the prices of goods.

3995. Do you, then, understand Mr. Mushet to have asserted that there was a correspondence invariably existing between the issue of Bank notes and the prices of commodities?—Without having the book before me, I will not venture to state in precise terms what his propositions were; but I am perfectly satisfied that the general tenor of his reasoning went upon the invariable connexion between the issues of Bank notes and the fluctuations of prices, or at all events the connexion of any great fluctuations of prices with immediately previous enlargements or contractions of the currency, those being assumed to be the immediate and moving causes of those fluctuations of prices.

3996. The article of rice, which you noticed to have advanced to 38*s.* and 40*s.* in the latter part of 1799, appears to have been at the lowest point at 1797, namely, 16*s.* and 17*s.*; Bank notes having advanced from 8,600,000*l.* to 11,800,000*l.*, would you say that that was an evidence of an advance of prices with a contracted circulation in that instance?—Yes, I should; I have taken the advance of prices from a period anterior to 1797, because 1797 was a time of crisis, and the circulation, as is very well known, was contracted in a most extraordinary degree. My statement therefore of the contraction of the circulation in 1798 has reference,

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as I before said, to the period immediately anterior to 1797. Moreover I should observe, in further corroboration of my view of the total want of connexion between any enlarged issue at that period, and an advance of prices, that those articles which rose in 1798 and the early part of 1799, fell very considerably in price coincidently with a very considerable and enlarged issue in 1800, compared with 1798; and therefore I think that that would determine the point as regards the question of the issues.

3997. The article of indigo, which you stated as having advanced to 11s. and 13s. 6d. appears to have been, in the early part of 1797, 6s. to 10s.; would you consider that an instance of an advance which took place during a contraction of the circulation?—I think my answer should be considered as applying to the whole of that class of articles; the same answer would apply to any one of them that applies to all of them.

3998. The previous period you took was 1790 and 1791, that was previous to the breaking out of the war; would you not expect many articles to rise from the altered circumstances of commerce during the War, in consequence of the War breaking out?—Several articles might be expected to advance, and did advance in consequence of the special demand arising out of the War, though those which I enumerated were not that class of articles; but it would appear that those articles fell, and they were very low again in 1799 and 1800, notwithstanding the continuance of the War.

3999. If you saw that those articles, after the breaking out of the War continued low, and did not advance till the year 1797, when a great contraction of the circulation actually took place; and if you saw in 1798 and 1799 a great advance of commodities took place, with an expansion of the circulation above the level of 1797, would not the fair inference be, that that advance was occasioned by an expansion of the circulation, rather than accompanied with a contraction?—I cannot answer very distinctly from mere recollection, without any papers or memorandums, questions which involve so much reference to dates and amounts; but I should say, once for all, that I am quite satisfied in being able to show with regard either to the preceding amount of the circulation, or the succeeding issues of Bank notes, that the circulation at that time, viz. in 1798, (and I can refer to a great variety of commercial documents to prove it) was in a very contracted state, and such as in itself was the reverse of a state to hold out inducement to speculation.

4000. Are you aware that Country Bankers had in 1797, for the first time a power of issuing 1l. notes?—Yes.

4001. Would that be calculated to produce increased power of advance in the hands of the Country Bankers?—It might do so; but there certainly is evidence that if they had the power, it was used very sparingly, and with extraordinary prudence in that particular period, namely 1798, which was one of very great commercial pressure.

4002. To whatever extent it was used, would it increase the power of the Country Bankers?—No further than as any means of enlarged credit may serve to increase the power of persons put in a situation of using it; but I am not disposed to admit that the question of what their power might have been, without reference to the degree in which they used it, fairly refers to the point I have endeavoured to establish.

4003. If a Country Banker issued 10,000 one pound notes in 1797 and 1798, would it not put an additional 10,000l. into his hands, and give him an additional power of purchasing stock, or of increasing his reserve in London to that amount?—It would add to his individual means of doing it, but it would be at the expense of some other source.

4004. What other source?—I cannot say that I find myself equal to explaining off-hand the effect of paper-money in substitution of gold; it would not follow because a Country Banker had the power of issuing 1l. notes, that the whole circulation would be increased beyond what it would have been if there had been sovereigns only in circulation.

4005. Do you admit that the effect of a Country Banker issuing 10,000 one pound notes would probably be to increase his disposable funds in London to the same extent?—I am not prepared to admit that, except under the qualification that he can only command those funds which would otherwise have belonged to some other person; but he would not by that create any fresh funds, they would be previously existing funds.

4006. What would the Country Banker get in exchange for the 1l. notes he issued?—

issued?—He may buy a house with it, but the house existed whether he had created the 10,000 one pound notes or not, and so of any other object that he purchased; if he issued the 10,000 *l.* in addition, and made that so much addition to the whole circulating medium, of course to that extent it would operate to raise the prices; but he could not for any length of time keep in circulation 10,000 *l.* of notes beyond the amount that would have circulated without that issue of paper, unless there were a depreciation marked by the difference between paper and gold, or by an efflux of metals, or by some of the ordinary tests which determine the value of the currency.

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4007. Supposing a Country Banker bought a house with his 10,000 *l.*, would that tend to advance the price of houses?—Not if the 10,000 *l.* that he issued were a mere substitution for the coin that would otherwise have circulated.

4008. Supposing it occasioned an additional demand for a house?—It would not occasion an additional demand for a house, if it only served as a substitution for coin that would otherwise have been in circulation.

4009. Then instead of the house he would have the coin?—Yes.

4010. What would he do with the coin?—He might buy a house with it, or agricultural stock, or he might invest it in the public funds, which would only be a transfer of capital.

4011. Would the house, or the agricultural stock, or the public funds, so operated upon, have a tendency to advance in price in consequence?—Not at all if the 10,000 *l.* be only that which would otherwise have circulated. If he spends 10,000 *l.* out of the existing circulating medium of the country, there is 10,000 *l.* less in competition for that object by some other person.

4012. Then if it adds to what would otherwise have circulated, the price of houses, or of agricultural produce, or of the funds, would advance in consequence?—To that extent.

4013. A Banker issuing his paper money, and having gold put into his hands, and employing that gold in the purchase of productions of some kind; supposing that to be the effect of that operation, and to take place generally throughout the country, what do you think would be the consequences that would follow an operation of that kind?—The question assumes, as some of the preceding ones do, that the paper so issued was in addition to what would have circulated had the paper not been issued. Now, in as far as that paper constituted an addition to the medium which would otherwise have existed for exchanges, there can be no question that it would tend to a rise of prices, and to a fall of the Exchanges, and an export of the metals, which in the convertible state of the coin would ultimately redress itself; in a state of suspended cash payments, it would be indicated by an advance in the market price as compared with the Mint price of gold, and a fall of the Exchanges, those being indications of depreciation of paper.

4014. Does it not follow that an operation such as has been described, taking place, and during the payment of paper money in gold, would be followed first by an advance of prices, then by an export of the precious metals, and then by a fall of prices again; does not it follow also, that such an operation taking place during a period when paper money was not exchangeable for gold, a rise of prices might be thus produced which would be permanent?—It would only be permanent in as far as the difference was marked by an excess of the market price above the Mint price of gold, or by the state of foreign Exchanges, which indicate the difference in the intrinsic values of the currency of this country, compared with that of other countries.

4015. Does not that answer assume the opinion to be accurate, that the depreciation of paper money is marked accurately by the price of bullion?—I should say so; the only difference, as I have understood it, on the part of those who contended that there was a greater increase in the value of the currency, subsequently to 1819, or any given period, than the difference indicated by the excess of the market price above the Mint price of gold was, that there was an increase in the value of the metal itself; that gold had increased in value either from circumstances connected with that operation, or from a diminution of the produce of the mines.

4016. Going back to the period of 1798 and 1799, would not the issue of 1 *l.* notes at that time have a tendency to occasion an advance of prices at that period?—The advance of prices at that period was in no degree produced by the state of the circulation; the advance was, if any thing, rather counteracted by the state of the circulation, being a period of very great commercial difficulty. I should

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further observe, that the prices of those very articles were for some short period still higher at Hamburgh, where there is a purely metallic currency, and in other parts of Germany, than they were in England.

4017. Still you are not aware that in 1798 and 1799 the operation then passing of the issue of 1*l.* notes, was one that had a tendency to advance prices?—I am very much disposed to deny that altogether; I conceive that from the tendency, from 1797 down to the Spring of 1799, to an influx of the precious metals, the circulation at that time was as low in amount as it would have been if we had been in a state of cash payments.

4018. The question is, whether the operation of 1798 and 1799, of issuing 1*l.* notes, had not a tendency to advance prices?—It had not at that time, nor would it at all, unless it added to the total circulation.

4019. Would not that operation have a tendency to advance prices?—As a general proposition I am quite prepared to admit, and I have never denied, that all other things being the same, an increase of the circulating medium would tend to produce a rise of prices, and *vice versa*.

4020. This issue of Bank notes being then in operation, would not prices probably have been lower than they were without it?—I think not. I think the counteracting circumstances were sufficient to prevent the operation of that tendency.

4021. When circumstances act one against another, do you strike out all the countervailing operations on one side, and give weight to all the countervailing circumstances on the other?—I endeavour to make a balance.

4022. You were understood to say that the Bank Restriction might have been avoided altogether; do you mean to say without material inconvenience and distress?—I should say so, certainly; the grounds upon which my supposition proceeded were, that if the Bank had continued their payments as long as they had a guinea to pay with, the crisis would have been got over, and then I think we should have had a circulation in 1798 larger than it proved to be, for confidence would have been quickly restored.

4023. Are you aware that the Country Bankers in some parts of England had come to almost a general determination to suspend their payments at that time?—I was not aware of that, and I am very much surprised at hearing it.

4024. If you heard that it was so, and that those Bankers considered that there was little prospect of their continuing solvent, subject to payment in gold, would you think that a reason for altering your opinion with regard to the indifferent nature of that measure of 1797?—Certainly, if the fact be as assumed in the question, that there was an intention on the part of the principal Country Bankers, independently of the question of ability to continue their payments, to determine, by the anticipation of a failure of their ability, actually to suspend their payments, of course it would totally vary my view of it.

4025. You said, that looking at the ten or eleven years that followed the Bank Restriction, that restriction might, during a greater part of that period, have been removed without any sensible effect being felt upon the money circulation or the prices of the Kingdom?—That is my opinion.

4026. It was stated in a Report of the Lords' Committee, in 1819, that the Bank made great efforts to procure treasure, and that in 1798 and early in 1799 it possessed treasure which bore a large proportion to its outstanding notes; after the early part of 1799 were the Exchanges favourable or adverse?—After 1799, till 1804, in those five years there was a drain on the coffers of the Bank, but a drain not to such an extent as might not have been counteracted by a very moderate effort, and not to an extent greater than the Bank at previous and at subsequent times has surmounted.

4027. Was the bullion drained from the Bank materially by that adverse Exchange?—The drain was considerable, but not so great as it was in the period between 1808 and 1813.

4028. It appears from a Table appended to a work of your own, that after the early part of 1799 the Exchanges with Hamburgh were never from that time to the end of the War so favourable as to render it possible to import gold; could the Bank, at any time after 1799, its bullion being drained, have proceeded to cash payments without forcible means of contraction?—I had occasion to observe that I thought it would have required an effort; I still think that the effort would not have been so great as to present an insurmountable obstacle.

4029. Was there any period during that ten or twelve years when some effort would

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would not have been required?—I should say that between 1804 and 1808, which was a period of a very great elevation of prices, it would have required a very trifling effort, because, by giving 4*l.* an ounce for gold, which in my opinion was a very injudicious measure, the Bank did secure a very considerable quantity; and judging by a scale which the Bank Directors presented to the Committee in 1819, the treasure between 1803 and 1808 was such as would have been very nearly sufficient to have continued a convertible circulation of coin.

4030. Then you think there would have been at all times some effort necessary, but that that effort, which you measure by the advance of the Mint price of gold above the market price, would have been trifling?—It might have been somewhat more than the mere difference between the market price and the Mint price of gold, inasmuch as there might have been a trifling increased value of the metals arising from that effort, but I do not imagine that it could have been considerable.

4031. It has been supposed, in a question that was put to you, that the Country Bankers, immediately before the period of the Bank Restriction, had determined not to pay in gold; supposing that the Country Bankers had the ability to pay in gold at that time, and that they had, according to that statement, determined not to do so, should you not have thought such a determination on the part of the Country Bankers very dishonest?—I have no other way of characterizing it.

4032. Do you conceive it is possible that there can be any evidence at the present moment, of the Country Bankers generally having had such a determination?—I apprehend that there can be no such evidence, and that there must be some misconception involved in the question alluded to. To assume that such would have been the conduct of the Country Bankers, seems to me to convey the imputation upon them of a want of common honesty.

4033. Do you think that a Country Banker of wealth and opulence and credit, finding himself unable to procure guineas to meet the demand for guineas, would act dishonestly in offering to the persons who demanded those guineas notes of the Bank of England?—He would certainly not act dishonestly; but if they were not a legal tender, and the holder of the Country Bank notes refused to take the paper it would be a case of failure, without any imputation upon the motives or upon the character of the Country Banker.

4034. Supposing the Bank of England had refused, from an inability, to issue gold in payment of their notes, do you think, from your experience upon the subject, that Country Bankers, or London Bankers, or Merchants, or any persons having engagements to satisfy, could have regularly satisfied those engagements; must not there have been an universal stoppage throughout the whole of the three Kingdoms?—Upon the supposition involved in that question, there can be, in my opinion, no doubt of the inference that is stated; but I not admit the probability that the main fact assumed in the question would have occurred, namely, the inability of the Bank to issue gold for its notes. Perhaps I might be allowed to add, with reference to that period, that I took a great deal of pains at the time to investigate the matter, as being one in which I felt a peculiar interest, and all the circumstances connected with it. Such is the opinion I had then formed upon it, and I never since have had a different impression.

4035. With reference to the prices of bullion during the period you spoke of, following the Bank Restriction Act, and the opinion you have given to the Committee, of the facility with which the Bank could have opened its door to cash payments during the ten or twelve years that followed, it appears that the prices of bullion, as marked in the Table, are as follows: standard silver 5*s.* 8*d.*—5*s.* 7*d.* in February 1801; foreign gold 4*l.* 5*s.* in June 1800; 4*l.* 6*s.* in December; Spanish dollars 5*s.* 10*d.* and 5*s.* 11*d.* in 1801, and 5*s.* 6*d.* in 1804; and there appears to have been no period, in the twelve years that followed, in which the precious metals are quoted at a price which is not above the Mint price; would you think that a considerable contraction of Bank notes would not be required during that period?—At particular periods of it there might; of course there is no measure for the appreciation of the effort that would be required; but, looking at the difference between the paper and the gold at the time, I think that the effort might have been made, and would have been effectual and salutary.

4036. If you saw the price of bullion five per cent above the Mint price, would it be your opinion that a contraction of paper money, sufficient to reduce prices generally five per cent, would be all that would be necessary to restore the Exchanges at that period?—No, I never considered that the difference between

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the paper and the gold could ever be assumed as the measure of the contraction that would be necessary.

4037. Nor of the fall of prices of property and commodities that would accompany the rectification of the Exchanges?—If the question refers to the restricted state of payments, I should adhere to my answer; but if the question refers to the difference of the effect on prices and property, of an effort to restore the Exchanges from below par, and to reduce the market price of gold to the Mint price as the existing standard, or of a debasement of the standard, I should say that the difference of the effect on prices would be exactly equal to the difference between the actual and the proposed standard.

4038. If at any period the Mint price of gold during the Restriction Act should be found 5 per cent below the market price, would you think then that such a reduction of the amount of circulation of the Bank of England as would reduce the prices of property and commodities 5 per cent, could be relied on as being sufficient to restore the Exchanges, and reduce the price of gold to the Mint price?—I am rather inclined to think that it would not require a reduction to that extent, supposing that the pressure upon the Exchanges which raised the price of gold were temporary.

4039. With respect to the opinion that was formed in 1819, that the reduction of Bank notes that was then necessary to restore the Exchanges, was to be measured by the difference between the market and the Mint price of gold, and that to restore those Exchanges and establish cash payments would require no more fall of prices generally than was marked by that difference, which was from 3 to 5 per cent at that time, do you think that that was an estimate that could have been safely relied on at that time?—I do not understand that that was an opinion ever delivered by any authority.

4040. If it were delivered, should you think it correct or erroneous?—I should say that it might be as it turned out, that there was no occasion for any contraction whatever. My belief is, that there was no effort requisite in 1819, and that no effort was made; and in point of fact the Exchanges did come to par, and the market rate of gold down to the Mint price, without any reduction in the amount of Bank notes.

4041. Did the prices of property and commodities in fact fall more than 5 per cent between 1818 and 1822?—They fell very considerably more, but they had risen very much between 1815 and 1818.

4042. Then you are of opinion that those who anticipated that fall in 1818 and 1819 were right in fact, though if they ascribed it to the operations of the Bank, they were wrong in principle?—Decidedly.

4043. And is it your opinion that those who considered that there would be no material reduction in the prices of property and commodities, were wrong in fact, but correct in their theory?—They were wrong both in fact and theory, if they expected no fall of prices; but they were right in not supposing that it would be the effect of restoring the value of the paper beyond the degree of depreciation.

4044. Is it not the tendency of an export of bullion to rectify the Exchanges?—Yes.

4045. Then as far as guineas were exported during the War, would that have the effect of rectifying the Exchanges?—To the extent to which it went.

4046. If an exchange to the amount of 5,000,000*l.* unfavourable to the country should take place, and 5,000,000 of guineas should be furnished from the circulation to export, you think that exchange would have no tendency to be marked with any depreciation much below par, in the list?—I imagine so.

4047. Are you aware what amount of guineas were in the country prior to the Restriction?—The computations are very various; I believe the most received computation is one that stated it to be somewhat below 20,000,000.

4048. Are you aware that Mr. Rowe stated it at 45,000,000, and that Lord Liverpool stated it at 30,000,000?—Yes.

4049. And that you stated it yourself at twenty-two millions and a half?—It is very possible; but I meant about twenty.

4050. You mentioned in a work of yours, that the treasure of the Bank increased in 1804, and the four succeeding years, and that that increase took place by gold imported from abroad; now if the Exchanges with Hamburgh and with France, during the whole of that period, were never so high as to make it profitable to bring gold from abroad, do you think that the treasure of the Bank so increased, was increased from the source of foreign importation?—I am not prepared

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pared to say from what source it was increased; the Bank did not import (as I understood) the gold themselves, and therefore it must have answered to somebody to import it at the price of 4*l.* an ounce; or, if it came from internal hoards, the same purpose, as related to the coffers of the Bank, was answered.

4051. If it came from abroad during any part of that period, that would be a period when it would require little contraction of the notes of the Bank to maintain gold at the Mint price?—So I imagine.

4052. But if it was derived from internal sources, you would draw no such conclusion from that increase of treasure?—Not exactly.

4053. What do you think became of the 20,000,000 of guineas which existed in circulation prior to the Bank Restriction Act?—Part of them were exported, part were in the coffers of the Bank, and a very large amount was, I have no doubt, in private hoards.

4054. Do you think that the course would be, that those guineas, so displaced from the circulation by 1*l.* notes, would be sent to London and carried to the Bank of England through the medium of different Bankers?—That might be to some extent, but as long as a material difference prevailed between the market and the Mint price of gold, I should have imagined that it would not from private hoards have found its way to any considerable amount into the coffers of the Bank of England.

4055. Did any material difference take place between the market and the Mint price of gold prior to 1808?—There was rather a considerable difference, but of short duration, between 1799 and 1803.

4056. Was it much less than during the period which followed 1808?—The difference between the market and the Mint price of gold was greater between 1799 and 1803 than between 1803 and 1808.

4057. After 1808 did the difference become greater?—Very considerably.

4058. Then is not the period up to 1808 precisely the period when you would expect the treasure of the Bank to be increased by guineas drawn from the internal circulation?—It would certainly be more likely to be increased during that interval than when the difference between the market and the Mint price was greater, which it was between 1808 and 1814.

4059. Are you aware that the Bank of England at that period, in order to encourage the payment of guineas to the Bank, entered into an engagement, by which they undertook to give back a certain proportion of guineas for all the guineas that should be paid in?—I am perfectly aware of that; I have no doubt that a part of their treasure was increased from private sources; but at the same time I believe that some of the money so paid in was again advanced to Government for the purposes occasionally of foreign payments, independently of the transit through the medium of the Exchanges. But the view I have of the extent of the private hoards is with full allowance of the considerations stated in the question; and one very decided proof of the existence of very large private hoards, during the Restriction, is, that immediately preceding the great re-coinage in 1816 and 1817, the sums that were brought out from private hoards into the hands of private Bankers were stated to be very large.

4060. Would you think that the quantity drawn from circulation and carried to the Bank, prior to 1808, sufficient to account for the increase of the bullion of the Bank?—Certainly not.

4061. It appears from a work of your own, that in April 1804 the amount of bullion was 4,200,000*l.* and in 1808, 9,000,000*l.*; do you think that such a sum as 4,800,000*l.* would not be drawn from the circulation, and carried to the Bank during that period?—I should think not. But I beg leave to state that I do not assume those sums as perfectly correct; all that I believe to be strictly correct is the scale; the grounds for the computation of that scale are before the Public, and it is merely for the convenience of looking at the relative sums upon authority that was already before the Public that I have inserted those sums; but I do not hold myself accountable for the correctness of those sums, nor do I rest implicitly upon them.

4062. There being, according to the best calculation you can form, about four millions of bullion in the year 1804, and about nine millions in the year 1808, what should you estimate the amount of 1*l.* notes of the Country Bankers and the Bank of England at these two periods?—The London circulation of 1*l.* notes is inserted in Tables which are not before me, and it would be more simple to answer it at once from them. With regard to the country circulation, it is very

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well known that the means of calculation are not perfect, that there is great variance of opinion as to the computations of the amount circulating at different periods; all those computations are stated in the Bullion Report of 1819, but I cannot take upon myself to state from memory.

4063. It is stated in the Bullion Report of 1819, that the amount of Bank of England notes of one and two pounds, in February 1814, was 4,600,000*l.*, which exceeds the amount of bullion then possessed by the Bank; if no Restriction Act had taken place, would not the Bank have found it necessary to take measures during that period to have supplied itself with bullion sufficient to circulate in the place of its own 1*l.* notes, and to circulate in the place of the 1*l.* notes of the Country Bankers, and to hold as a reserve for its own payments?—The question assumes that an effort was to be made at that particular period to prepare a sum of gold to replace the 1*l.* circulation; and it would no doubt, in order to accomplish it within any short period, have required a very violent contraction, and a very considerable derangement of credit.

4064. Must not that violent contraction of necessity have taken place somewhere between 1797 and 1804, if no Restriction Act had existed, and no 1*l.* notes had been issued in consequence of the Restriction Act?—There would have been a more generally contracted state of the circulation unquestionably.

4065. Must it not have been sufficient to have retained in the country eight or ten millions more of bullion than was then in circulation?—I think so.

4066. With respect to the period of 1815, the close of the War, you stated that that was a period of very great distress, commercial, agricultural and manufacturing, but that that distress was in no way occasioned by any preparations of the Bank of England for cash payments; do you consider that the Bank of England made no preparations for cash payments?—I am not aware of any preparations they made, and whatever were the preparations, if they made any, the effect upon prices could only be judged of by the effect upon the circulation.

4067. It is stated in a Work of yours, that the Bank made no preparation other than that of purchasing gold?—I have understood that the Bank Directors turned neither to the right hand nor to the left, in anticipation of the return to cash payments; that they went on exactly in their usual routine.

4068. Are you aware that the restriction on cash payments of the Bank expired by law six months after the signing of the Definitive Treaty of Peace?—Yes, it did.

4069. The Bank being under an engagement by law of paying their notes in gold at 3*l.* 17*s.* 10½*d.* an ounce, six months after the Definitive Treaty of Peace, and they having, according to the scale in your book, had no more than two or three millions of bullion of all kinds in their possession for many years prior to that event, what do you think of the prudence of the Bank Directors, who saw that Definitive Treaty approach, and made no preparations for meeting it?—I do not defend their prudence, still less their judgment, in that case; but at the same time they had an impression, I believe, which was participated in by most mercantile men, and it was confirmed by the event, that the great depression of the Exchanges, and the drain of metals, arose from temporary causes, from a very large balance of payments, and that by the return of Peace there would be a rise of the Exchanges, and a return of the metals, as a necessary consequence of the cessation of the extra payments that had been made, and were in the course of being made to the Continent.

4070. Do you think the Bank Directors foresaw that return of metals into their coffers, without any effort of their own?—I can only say that it was a very general mercantile expectation.

4071. If they foresaw that, is it consistent with your own opinion that there was a common want of information at that period?—I should say, assuming the view involved in the question, namely, that they were liable to pay within six months after the Preliminaries of Peace, and that they really contemplated, which however it is clear they did not, that that condition was likely to be enforced, that it certainly was, on that supposition, highly imprudent not to take measures for hastening that which I believe arose out of the natural course of events.

4072. Do you think if they took no measure, but trusted for the security of their payment entirely to the circumstances you have described, that a Bank so acting is a fit body to have exclusive privileges continued to them?—I should say that the Directors at that period did certainly avow principles for regulating the circulation which were inconsistent with a proper management of a convertible paper.

4073. If,

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4073. If, having thirty millions of notes to pay, and only two or three millions of bullion, they saw the period approach when the whole of the thirty millions was subject to be demanded in bullion, the price of bullion being at that period greatly above the price at which they were compelled by law to pay, was it consistent with common prudence in the Directors of the Bank to act as you think they acted, to make no preparations for that payment?—I conceive it was not prudent, if they contemplated that the Restriction would cease at the time supposed in the question.

4074. Do you think they are fit to be intrusted with the interests of the Proprietors of the Bank, if they so acted?—I do not see what cause of complaint the Bank Proprietors have on that ground.

4075. Is not the want of prudence upon the part of the Directors of the Bank ground of complaint on the part of the Proprietors?—That prudence I only speak of as referrible to the restoration of the value of paper; and that was their duty towards the Public, not their duty towards the Proprietors.

4076. Are you aware that in the Report of 1819, it appears that Mr. Harman stated in evidence that the Bank thought it their duty to provide for cash payments, and to make preparation in conformity with that duty?—Preparation in that sense of the word, that they bought gold when it was offered to them; and the only preparation was, as far as I could learn, in giving higher than the Mint price for gold that was brought to them, but which gold would equally have been brought to them, as the event proved, at the Mint price. They were, in my opinion, injudicious in giving 4*l.* and subsequently 3*l.* 18*s.*

4077. Your opinion, then, is, that they made no other preparation, except the buying gold when it was offered to them, or when, from the market price, they were enabled to purchase gold?—They claimed from the Government the repayment of advances, but that they had done in the period anterior to 1814, with nearly, and indeed I should say quite, as much urgency; therefore I do not see that that can be considered as a preparation more distinctly made subsequently to 1814 than that which they made prior to it.

4078. Do you admit that they made any preparation further than that of purchasing gold?—No preparation beyond measures that they took equally before 1814.

4079. If they made preparations other than what you are aware of, would you say that the opinion you expressed, that the preparations of the Bank at that time had no tendency to produce the distress which followed, rests on a mistaken foundation?—I should not admit the conclusion, supposing the Bank made any preparations which I am not aware of, inasmuch as the only influence that I should attribute to such preparation, if it took place, would be measured by the degree in which it affected the amount of the circulation.

4080. Supposing a reduction of the advances of the Bank to the Government to have taken place at the termination of the War, for the purpose of preparing for cash payments, how would you expect that reduction to operate?—Very much depends upon the mode in which the reduction was made. I have observed, and I was struck with the circumstance of the compensation that takes place in the circulation of Bank notes in London under circumstances of occasional enlargement or contraction of the advances by the Bank to Government, that when there was any sensible diminution in the advances to Government, there was almost a corresponding increase in the issues of Bank notes through the mediums of discounts; and therefore I should say that the effect of any repayment by the Bank, under the circumstances stated, would have been a temporary rise in the rate of interest, which would induce a larger resort to the Bank for discounts.

4081. If the Government should repay to the Bank a large amount of money which it owes to the Bank, would not the effect be to carry back to the Bank the amount of Bank notes equal to the amount repaid?—Yes; and if the operation were confined to the repayment so made, without any channel by which an equal amount of Bank notes could be re-issued into circulation, the inference implied in the question would be correct; but in point of fact, whenever there has been any considerable repayment by Government of advances from the Bank, it has been followed, or contemporaneously attended, by an increase of issue of Bank notes through the medium of discounts, or through some other channel.

4082. An amount of Bank notes being withdrawn from circulation by the repayment of advances by Government to the Bank, would not the first effect be a scarcity of Bank notes in the London market?—Probably to some extent. But

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I would here further observe, that there was one period, if not more, during the Restriction, between 1803 and 1808, in which there was a very considerable reduction of the advances by Government; and I am not aware that on those occasions any sensible alteration in the prices or any of the general effects of an altered circulation can be traced; therefore I am not prepared to admit that the repayment which took place somewhere about 1815 or 1816, accompanied as it was by an increase of the circulation through other channels, was such a preparation as in that sense of the word could have any sensible effect upon the value of the currency.

4083. If there were increased applications for discount from the withdrawal of the Bank notes from circulation, would not that arise from increased scarcity of Bank notes?—A very moderate diminution in the amount of Bank notes, provided it was sudden, would create what is technically called in the money market an increased demand for money, and that would immediately be followed by a very large resort to the Bank for discount of commercial bills.

4084. Might not the operation be, that as Bank notes were withdrawn from circulation by repayment of the Government, an increased scarcity of money would take place in the London market, and increased difficulty of accommodation to traders and merchants; and is not that a period when you would expect failures to take place, and commercial credit to receive a shock?—Not unless it immediately followed extensive speculations and a reaction from them; but there is constantly occurring that sort of oscillation in the money market; rarely an interval elapses of three months in which the Bankers have not occasion to state that without any ostensible cause there is a sudden and a very considerable demand for Bank notes.

4085. If an operation which rendered Bank notes scarce should be followed by failures amongst merchants and Country Bankers, might not the ultimate result be, that the notes withdrawn by the payment of Government would be issued in accommodation to the merchants and the Bankers, and form, a part of them, a portion of the country circulation, the whole amount of the Country Bank circulation being reduced, while the Bank circulation remained at its previous amount, and yet the effect be produced of a general contraction of the circulation?—I have repeatedly had occasion to state that an increase in the amount of Bank of England notes was not necessarily an index of the whole amount of the circulation, and therefore there can be no question but that the notes re-issued, as stated, might form no addition to the general circulation.

4086. Assuming the case to have been that the Bank of England at the close of the War demanded repayment of large advances from Government, that this repayment was followed by a scarcity of money and by numerous failures amongst the Country Bankers, and that the Bank issued an additional quantity of notes, namely, the notes recently withdrawn by the payment of Government, to support the credit of the Country Banks, but that on the whole the mass of the Country and Bank of England paper was reduced, would you, supposing that to have been the case, say that the Bank made no preparation for cash payments?—I am at a loss to meet the terms of the question. I still adhere to the opinion that the Bank made no preparation for cash payment in that sense in which I have generally understood it, namely, that it took measures for contracting its circulation with a view to increasing the value of it. The question assumes that failures were produced by the contraction of the whole circulation in preparation for cash payments, whereas I believe that none of the failures in the periods under consideration were produced directly or immediately by any measures taken in preparation for cash payments.

4087. Does your answer depend upon the correctness of that opinion, as to how those failures were produced?—In my opinion, the failures in the periods under consideration arose from various circumstances, political and commercial. The alteration in prices arising from the seasons, from the greater facilities of communication, and from the absence of obstructions incidental to a state of War, was totally independent of any operations of the Bank of England on the amount of its circulation.

4088. Assuming the fact to have been, that the Bank of England called in large advances from Government, that, in consequence of the scarcity of money that occasioned, great failures took place amongst the Country Bankers and others, and that the Bank of England then issued notes upon discount to replace the chasm in the Country Bank circulation, and that the ultimate result was, that the circulation

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circulation on the whole was greatly contracted, and that prices greatly fell, would you not say, assuming all those facts, that the Bank of England had made a most efficient preparation for cash payments?—Assuming all the positions in the question, I should assent to the inference; but I do not admit the assumptions in the question. I conceive that no part of the failures of the Country Banks arose from any preceding contraction by the Bank of England, whether in consequence of repayments by Government or otherwise; the failures were quite sufficiently accounted for by the previous extent of over-trading, both commercial and among Bankers.

4089. Are the Committee to understand, that whether the Bank made preparation or not, depends, in your opinion, upon the correctness of your estimate of the manner in which those failures were produced?—I am not aware of that consequence.

4090. You stated in your former examination, that your opinion expressed in 1819 before the Committee, was too strong, and that you have since found that the Bank did not contribute by excessive issues to raise the prices in 1818?—I believe I did not say “did not contribute,” if I did, it must have been an error, because what I meant to say was, that till I had the exact order of the dates of the extended issues of the Bank of England, of the rise of prices, and of the subsequent changes, and till I had occasion to make a more accurate research into the particulars of those fluctuations, I had an impression that the increase of the Bank issues was the principal cause, or that it was the cause in a greater degree than I have since had reason to believe; and I am now quite satisfied that the origin of the rise of prices, in the period alluded to, was totally distinct from, and in point of fact preceded, and therefore could not possibly be the effect of, increased circulation of the Bank of England; but I have all along admitted that, the causes for a rise of prices existing, an enlargement of the circulation of the Bank was calculated to contribute to a greater rise, and of longer duration, than would otherwise have existed.

4091. Then are the Committee to understand you to think that the Bank of England did, or did not, contribute by excessive issues to the rise of prices in 1818?—Some part of the rise of prices might be contributed to by the excessive issues of the Bank of England. But I beg leave to qualify the term “excessive,” inasmuch as through nearly the whole of 1816 and 1817 the treasure of the Bank was increasing in a much larger ratio than the increase of its issues of paper; and further I have to observe, that in point of fact the greatest elevation of prices of 1817, particularly of corn, took place before the largest addition to the circulation of the Bank; the greatest rise of prices of corn in the Spring of 1817 took place in consequence of a very great demand that occurred for exportation to France, which export of corn was paid for in fact by gold, for there were no adequate returns to meet the quantity of paper upon France for that purpose.

4092. Do you concur in opinion, that in 1819 the Bank contributed by excessive issues to the rise of prices?—I should wish to qualify it.

4093. It appears that you not only stated the fact of the excessive issues, but you stated also the consequences you noticed to follow them, those consequences being these, “that this enlarged issue, uncalled for by any assignable cause, operated “with peculiar force, it induced orders to be sent out to all parts of the globe to “purchase importable commodities, it gave encouragement to undue speculations “and enterprise in a very extraordinary degree, it had the effect of reducing the “rate of interest very violently, it occasioned a great rage for investments in all “the foreign funds which held out any prospect of tolerable security;” would you now correct that part of the evidence you then gave?—Yes, I should, certainly. For the purpose of some of the publications that have been referred to, I had occasion to bring my general recollection to a more distinct test, by references to the particular dates when the great rise of prices commenced, and the period through which it continued, and comparing that with the dates of the issues, I am quite satisfied that the main causes for that advance of prices, and the tendency to speculation which is there noticed, had their origin in mercantile causes, existing and operating anterior to the enlargement of the circulation by the Bank of England referred to.

4094. You gave it as your opinion, that it was in 1817 that a considerable issue took place of gold coin, and that this extra issue of Bank notes, with a large sum in coin, formed altogether a very considerable addition to the circulating medium; do you think that gold coin formed any addition to the circulating medium?—

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It formed part of it till the Exchanges at the close of 1817, and in 1818 declined sufficiently to induce an export of them.

4095. Do you think that the whole of that gold coin was not exported as fast as it was issued, it being issued only for exportation?—It depends upon what state the question refers to; all the gold that was issued in 1817, I believe, remained in circulation.

4096. Are you aware that it was profitable to export gold in October 1817?—I will not attempt to be accurate in recollection by a few weeks; I believe I said that till towards the close of 1817, there was no inducement to export gold; towards the close of 1817 the Exchanges experienced a decline, and a drain then commenced upon the Bank, and of course a very small part of the coin they then issued remained in circulation.

4097. Does your memory enable you to say whether, from October 1817 to February and March 1819, the Exchanges were not considered unfavourable, and that gold was during that whole period in process of exportation?—Yes, I believe they were.

4098. Are you aware that till October 1817 a very trifling amount of coin was issued at all?—I forget what amount it was.

4099. Was it more than a few hundred thousand pounds?—I have an impression of its being more.

4100. Between October 1817 and the beginning of 1819, you think that the whole of the coin issued would form no addition to the circulation?—I should think not.

4101. With reference to the opinions you expressed to the Committee of 1819, it appears that in a work of yours, four years later, it is stated, “that down to July 1817 the increase of Bank notes was very inconsiderable, namely, about 700,000 *l.* above the average of 1816; but that there was no doubt that this addition, small as it is, proved to be excessive; but if the increase of about 700,000 *l.* in the first six months of 1817 was excessive, what is to be said for the prudence or propriety of the further increase which took place to the extent of near two millions on the average of the following six months, when all the circumstances tending to make the former excessive were in full operation;” was that opinion correct also?—I should say it was correct, upon all the means of information that were then accessible to the Public for judging of the grounds upon which the Bank issues were made. I believe that in that, as in several other instances, it would have been for the advantage of the estimation of the conduct of the Bank Directors if their accounts, and their means of discharging their liabilities, including the state of their treasure, had been made public, as well as the amount of notes in circulation; for I was not aware when I delivered the opinion which has just been quoted, that the whole of the increased issues of the Bank of England at the end of 1816, and through 1817, were only a part of the amount of the gold that flowed into their coffers, and then, according to any sound rule for the conduct of the Bank’s affairs, the increased issue at the close of 1816, and through the greater part of 1817, was perfectly justifiable.

4102. Would you not say that if the opinion which has just been quoted was correct, the opinion you have now given, that the high prices of 1818 were not occasioned in any material degree by excessive issues of the notes of the Bank of England, must be erroneous?—The utmost extent to which I should be disposed to modify the opinion then expressed is, that the Bank was justified in a great part, if not the whole, of the extended issue between 1816 and the summer of 1817, but that the increased circulation, from whatever cause arising, was clearly calculated to extend the range of any advance of prices that might have arisen from other causes, or possibly to have created an advance if no sufficient cause had previously existed. But there were sufficient mercantile grounds previously existing, and consequently the increased issue of the Bank of England was calculated only to contribute in a greater or less degree to a further elevation.

4103. It appears in the evidence of one of the Directors of the Bank before the Lords’ Committee in 1819, that he was asked, Whether when the Bank consented in 1816 to increase their advances to Government upwards of eight millions, the Bank took into consideration, that by such increase and advance the total amount of Bank paper in circulation must necessarily be suddenly and greatly increased, and that the answer was, “There is no doubt the amount in circulation was considerably enlarged.” Do you think that an increase of the circulation so made was not a forced and excessive issue of Bank notes?—Whatever the channel through

through which the issue was made, I should not consider that an excessive issue as long as the increase it entailed upon the circulation did not go beyond the amount of the gold which at the same time the Bank was receiving, supposing that it already had sufficient for its ordinary purposes, or for what it conceived to be necessary for its actual position.

4104. With reference to the issues which you consider the Bank then to have made upon bullion imported into the Bank, it appears, according to the best accounts we have, that in February 1816 the bullion of the Bank was four millions and a half, and that in February 1817 it was 9,800,000*l.*, and in February 1818 10,400,000*l.*; by which it appears that the Bank issued on bullion 4,900,000*l.* of notes in those two years; if the Bank accompanied that issue of notes by another issue of eight millions by way of loan to Government, should you expect the consequences of such an extensive issue to be a great rise of prices?—I should not.

4105. Would you expect discounts to diminish at such a period as that?—Yes, undoubtedly.

4106. It appears that the discounts of the Bank were, for the first quarter of 1816, 14,300,000*l.*; for the first quarter in 1818, 2,900,000*l.*; making the falling off of their discounts 11,400,000*l.*; and that the actual increase of Bank notes during that period was about three or four millions; looking at the whole of that operation just described, must it not have been one calculated to cause an advance of prices?—I should think not. I would here repeat the same opinion that I gave in my former examination; I should not, *à priori*, expect an advance of prices without consideration of the circumstances of trade at the time of the enlarged issue; if that enlarged issue coincided with such a state of the stocks of commodities as in general opinion were not susceptible of any advance of prices, the mere issue of an additional amount of Bank notes would not necessarily and immediately produce any effect upon the markets.

4107. You have stated that in 1822 there was a great fall in the prices of all commodities, with scarcely any exception; was that a period in any respect similar to 1816?—No, it was not; the fall in prices was neither so sudden, nor from so great an elevation as it had been in the interval between 1812 in one case, and 1814 in the other, to 1815 and 1816.

4108. What was the cause of the fall of prices in 1822?—The extraordinary favourableness of a succession of seasons as regarded our own produce, and very large accumulations of most descriptions of imported commodities.

4109. Good seasons and great importations?—Great abundance of home produce, and of previous importations.

4110. You stated on the 19th March 1819, to the Lords' Committee, that a reduction of the notes of the Bank took place with reference to cash payments, and that a certain depression of prices had been the consequence; supposing that to be rightly quoted from your evidence, is that opinion what you would now consider to be correct?—I understand the question to be in connexion with the prices of 1822, but I do not understand how my evidence given in 1819 is brought to bear upon that.

4111. Was the fall of prices, from 1818 down to 1822, very general?—I think it was.

4112. It appears by the accounts before the Committee, that the bullion in the possession of the Bank in February 1819 was 4,300,000*l.*; in February 1824, it was 13,700,000*l.*, making an increase in the bullion of the Bank of 9,400,000*l.* in that period; it appears also that the Bank issued sovereigns for circulation in the country, to the amount of seventeen millions during that period, making in the whole an amount of twenty-six millions of sovereigns, either added to the treasure of the Bank, or by the Bank circulated in the country; will you explain how that quantity of gold was brought into this country at that time?—It was partly from a very large speculative export that took place in 1818. From remote places, the returns would probably not be forthcoming till 1820; there likewise was a difference in the circumstance of our ceasing to be importers of corn; in the interval between 1819 and 1825, no foreign wheat was admitted for home consumption; the difference of the course of trade accommodated to the payment of so large an item in former years, would of itself occasion a change in the distribution of the metals; the prices of most commodities being here greatly reduced from abundance, partly arising from the seasons and partly from increased facilities of communication, and cheaper modes of production, and great improvements in machinery, our exports acquired such an extension, that it was difficult to get returns without having a very large portion of metals come in as a matter of course.

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Esq.

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4113. Would the drain of that great quantity of metals from the Continent affect the commercial prosperity of the Continent?—It did not; for, with the exception of the very reduced price of agricultural produce throughout Europe, particularly in France, insomuch as to call for notice by the King of France from the Throne, ascribing the distress of the agricultural interest very properly, in my opinion, to the glut of produce arising from a series of abundant harvests, with that exception, I believe, that the commerce of the Continent as well as of this country, and the populations of the Continent of Europe as well as of this country, were in as satisfactory a state between 1820 and 1824 as in any equal interval within my knowledge.

4114. Would that amount of bullion have been imported if the productions of this country exported had borne a higher rate than that which they did bear?—Of course not.

4115. If that quantity of bullion were necessary to the circulation of the country under a system of cash payments, and could only have been obtained by the low price of productions at that time, was not that low price necessary to the establishment of the system of cash payments?—That would be relative to the prices in other countries.

4116. If the prices of British productions had sustained a higher scale than they actually sustained, would they have brought in so large a quantity of bullion, taking the prices of the Continent to be the same?—I cannot admit the opinion involved in the hypothesis. The whole, as I conceive, resolves itself into a question of the degree in which the value of gold and silver in the commercial world was affected by the quantity that was abstracted from the whole of the commercial world, and which came to this country, whether necessarily or not, for the purpose of supplying the circulation and forming the treasure in the Bank's coffers.

4117. Would you expect the prices of the Continent to advance or to fall during that period?—The fact is, that both on the Continent of Europe and in this country the prices did advance, while we retained all the metals that we had in 1822, and experienced an addition to them, for, according to statements which have been made of the treasure of the Bank, it appears that there was an increase of it till February 1824, while prices were rising both on the Continent and in this country.

Veneris, 13^o die Julii, 1832.

THE RIGHT HON. LORD VISCOUNT ALTHORP, IN THE CHAIR.

Joseph Chesborough Dyer, James Burt, and John Benjamin Smith, Esquires,
called in; and Examined.

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James Burt,
and
John B. Smith,
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4118. (*To Mr. Dyer.*) YOU are a merchant at Manchester?—I am a wire, card, and machine maker.

4119. You have been concerned in the establishment of a Joint Stock Bank at Manchester?—I have; I am a Director of the Bank.

4120. What is the nature of the Joint Stock Bank at Manchester, and when was it established?—It is a Joint Stock Bank formed under the provisions of the 7th of George the 4th, and it was established in the latter part of the year 1828; there was a Deed of Settlement executed, and I think it bears date in December 1828. The Company consists of somewhere about 600 proprietors, its subscribed capital is 2,000,000 *l.*, its paid-up capital is a fraction short of 300,000 *l.*; I say a fraction short, because there are a few shares, only four hundred I believe, not disposed of; if the whole of the shares were disposed of, it would be exactly 300,000 *l.*; the paid-up capital therefore may be said to be 300,000 *l.* It came into operation as a Banking Company in March 1829, and has been conducted regularly as one of the banking institutions of Manchester since that time, and it has been conducted upon a similar plan to the system of banking which prevailed with the private Banking Houses, there having been no other Joint Stock Bank formed before this. It took as the basis of its business the plan of business which had been carried on by the other Banks in Manchester and in that country.

4121. Are

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4121. Are the Partners liable to the extent of the whole of their property for the liabilities of the Bank?—They are, they could not have been otherwise under the law.

4122. Does the Bank issue its own paper?—It does not issue cash notes, as they are called, that is to say, notes payable on demand, it issues paper payable at a distance of time.

4123. What distance?—At various distances; it has issued a description of paper called Bank Post Bills, payable at seven days after date.

4124. What is the shortest and what is the longest period of those bills?—It issues drafts on its agent in London at 30, 60, and 90 days, and also bank post bills at seven days; the great proportion of the paper which it creates is of these sorts.

4125. For what amount are those bank post bills?—They are for various amounts, between 50 *l.* and 100 *l.*; we have plates as high, I believe, as 500 *l.*, but mostly from 50 *l.* to 100 *l.*, and mostly of those two sorts, fifties and hundreds.

4126. Do you issue any bank post bills under 50 *l.*?—We did when we first commenced the practice of issuing those bills, a few were issued for twenties and under fifty, but it was suggested by the Solicitor to the Institution, that it was contrary to the Statute under which the Bank was formed, although the practice seemed to be supported and justified by the 9th of George the 4th. The Act to which I allude, is an Act for compounding for Stamps, and that Act is, so far as the wording of it goes, directly contradictory to the other Acts; and we were therefore very much puzzled to know whether we had a right to issue them or not. The 9th of George the 4th, authorizing the compounding for stamps, goes on to state the conditions upon which stamps shall be compounded for, and after enumerating them, it states that all parties carrying on the business of Bankers shall be at liberty to compound for their stamps, taking the course specified in the Act, and among other things, they are to give in a list of the Partners of such Bank; we have given in a list, an enormously large one, of course; instead of being five persons, it was nearly 700; and we got a composition for compounding for our stamps, and then we commenced issuing those notes, under the idea that being Bankers and coming within the denomination that “all parties shall have a right,” we being one of those “all parties” we thought it clear we had such a right; but still, it being contradictory to the other Act, and the rights of the Bank of England being preserved notwithstanding the second Act, it was thought that we were not justified in pursuing that course, and we discontinued, to the injury of the Bank, and I believe to the inconvenience of its customers, the custom of issuing those notes; and we therefore complain of that as one of the objectionable states of the law as applying to this Company.

4127. Are those bank post bills payable in London?—All payable in London, at the agents, Glyn & Company; they are drawn on Glyn & Company. We took counsel's opinion upon that question, and a great deal of discussion arose. Considering that there was certainly a colour of law in our favour, and considering that the Banking Houses under the former establishment, whose strength was prevented by the extension of their partnerships, seeing that they had a right to make notes of any denomination payable in London, we thought it a great hardship that when the opening of the system for Joint Stock Banks was avowedly done for the purpose of giving security to the Public, that that security should be rendered so inoperative by forbidding strong Banks to make that description of paper payable in London which the weaker sort of Banks might do. It is clear that those small notes could not be of any advantage either to the Public or to the Banking Company, unless they were permitted to be payable in London.

4128. Will you state what the general character of the business of the Joint Stock Bank at Manchester is?—When we came up to London about a fortnight or three weeks since, previously to our leaving town I applied to the manager of the Bank to give me an exact statement of the manner in which the last 2,000,000 *l.* had been paid by that Bank. He has stated the period during which 2,029,000 *l.* has been paid; cash and Bank of England notes, 1,001,000 *l.* Of this item I would remark, that about one-ninth was paid in specie. The next item is promiscuous bills, by which is meant the re-issue of such bills of exchange as are received and placed to the credit of certain customers, to other customers; the amount of that is 90,000 *l.* Upon that item I would remark, that if it be proper that the bills of exchange should pay a stamp duty, and that notes circulated in payment should also pay stamp duty, it seems objectionable that any motive should exist to re-issue bills of exchange;

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exchange; filling the office of a part of the circulation without subjecting it to any stamp duty, it seems upon principle rather objectionable that there should be a motive existing for allowing that description of paper to constitute any part of the purchasing power. Drafts and acceptances are 753,000 *l.*, and about one-third of those consists of drafts created by the Bank directly on its agents in London, and two-thirds are acceptances of the customers of the Bank, which customers make it a point of course to place funds with the Bank of Manchester in time to meet those acceptances; they are accepted at the agents of the Bank of Manchester for the purpose of using the Bank as a means of paying them.

4129. Do you include promissory notes in the term acceptances?—If they are accepted “at” they are promissory notes. Then, bank post bills is the next and last item, and concerning which I have already spoken; the amount of those is 185,000 *l.* This latter item, but for the obstacle I have before explained, would, I have no doubt, have been a much larger item.

4130. Is the payment of the drafts optional with the holder, either in London or at the Manchester Bank?—No, they are all made payable in London.

4131. If they are all made payable in London, but are presented for payment at Manchester, would they be paid at Manchester?—They would be taken the same as any other bill; they are drawn direct upon the London Bankers, and they go up when they are due. There is one circumstance to which I wish to draw attention; it is seldom that the bills created by the Bank of Manchester are sent up for acceptance, the security of the Company being considered unquestionable, it is an expense and trouble which the parties do not think proper to put themselves to; so that, generally speaking, they go up for the *bona fide* purpose of being paid, or for making remittances for payments that require to be made in London.

4132. Has the Joint Stock Bank any communication with the Branch Bank of the Bank of England in Manchester?—It has had. The Bank of Manchester at one time discounted to some extent with the Branch Bank, but from difficulties that arose in obtaining those discounts, it discontinued to discount with the Bank; those difficulties were, a degree of trouble occasioned by the minute examination of the quality of the bills, and objecting to certain proportions of the bills given, which did not take place when we discounted with the brokers or any other Banks; sometimes we discount with other Banks that have a large deposit, the Bank of Lancaster, for example, which had a very large amount of deposit; but in no case was there any such difficulty ever interposed to the reception of the bills as by the Branch of the Bank of England, and it was finally discontinued. I desired the manager to state precisely what happened, and, with the permission of the Committee, I will read his note to me upon the subject: “The instances in which the Branch of the Bank of England at Manchester has rejected bills of the first quality are numerous; bills drawn upon first-rate houses in London have been refused to be discounted. The Bank at one time agreed to discount for us at a certain rate of interest; this rate was favourable to us, and we passed many transactions through the Bank; but they suddenly, and without notice, suspended their discounts for us. In consequence of the difficulty of doing business with the Branch, arising in many instances from the agent’s ignorance of parties to bills, it was my usual practice, on the day prior to my wanting discounts, to send a considerable number of bills into the Branch, in order that the agent might select such as he approved, and return the remainder, and thus prevent the continued explanations as to the character of parties, which I was before under the necessity of giving. On the occasion to which I refer, I had sent into the Branch for approbation bills amounting to 20,000 *l.*, the proceeds of which were wanted for the following day; the whole of those bills were returned, and I was informed that we could have no more discounts; I stated, that I had been led to depend upon them for supplies of cash, and that it was only reasonable that I should have had some notice of their intention to discontinue those supplies, that the following day was the market day, when the calls upon us would be heavy, and I had now not the means of supplying myself from any other quarter. The agent stated, that he could act only according to orders, and his instructions were imperative. I then requested that he would lend me 10 or 15,000 *l.* on the security of bills deposited with him for double the amount, the loan to be paid off in cash in four days, but this he refused to do; and with nearly half a million of good bills in my hands I could not obtain at the Branch Bank a single pound, although our engagements for the following day in the Bank were upwards of 20,000 *l.*” I do not state that by way

way of complaint, but simply stating the fact, that we were from those causes led to obtain our money in the best way we could from different sources, rather than rely upon the Branch Bank. I might also state, that a Deputation from the Bank of Manchester waited upon the Governor and Deputy Governor of the Bank of England, and requested to know whether it would comport with their views to give a discount to a distinct amount, which might be stated; the amount that we named was 200,000 *l.* The Governor, after duly considering the subject, declined to enter into such an arrangement; and stated at the same time, that he considered the security of the Bank at Manchester just as good as that of the Bank of England, but that they could not be under such an agreement, because they could not control the amount of their issues as they would otherwise do. We happened to have information that the like arrangement, or something similar to it, had been entered into by the Bank with the Bank of Liverpool, of which we constitute a portion of the deputation, to speak on their behalf as well as our own; and therefore we are quite in order, so far as regards our duty, to refer to that.

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4133. Were those bills which you offered for discount at the Branch Bank indorsed by the Bank of Manchester?—Always.

4134. Did you subsequently ascertain whether there were any other reasons on the part of the Bank of England for refusing to make those discounts, than the reasons you have already stated?—We did not, either at that time or at any subsequent period, learn any reasons but such as were very fully explained to us at the interview, to which I have alluded, with the Governor of the Bank, and which merely consisted of his statement, that they could not keep down the amount of their notes if they entered into obligations of this sort. The reason why they entered into the arrangement at Liverpool was stated also to us, and it was this, that they supposed that through the agency of the Bank at Liverpool they could keep in circulation at a distance from London a greater amount of the notes; that was one reason that was stated by them for entering into that agreement; but although in fact we are absolutely the agents of the Bank of England, perhaps unconsciously but inevitably such, as Bankers, to the amount of one half of our transactions, they did not think that by giving us this accommodation they could make us more extensively their agents, but they did think so with respect to the Bank of Liverpool.

4135. What was precisely the nature of the proposition you made to the Bank of England?—That we should furnish them with unexceptionable bills to the amount of 200,000 *l.*, or any amount not exceeding that which we might have occasion to discount, and that we might be assured always of the reception of those bills at the then going rate of interest.

4136. What rate of interest?—There was to be a particular agreement as to the rate of interest, I forget what it was at the time; I can state what the rate of interest has been at various periods since the Bank has been in operation.

4137. Did you propose to place any securities in the hands of the Bank of England, besides the bills which you wished to discount?—Indorsed by the Bank of Manchester; no other security, because the subject was not mooted; the Governor of the Bank stated in so many words “We consider your Bank as secure as the Bank of England;” it was therefore quite unnecessary to propose any security other than the indorsement of the bills so placed with them.

4138. Did you propose that the rate of interest at which your bills should be discounted should be lower than the rate of interest at which the Bank of England usually discount bills?—No, certainly not; we proposed that the rate of interest to be charged to us should be the same as that charged upon a like agreement with the Bank of Liverpool.

4139. Is that lower than the usual rate of interest at which the Bank of England discounts bills?—It is lower than the rate at which they discount for the Public, they always profess to discount to the Banks a half per cent. or a quarter per cent. lower than they discount to the Public; it is the same rate at which they discount to the Bank at Liverpool; it was three per cent. at that time, that was in February last.

4140. Being one per cent. lower than their rate of discount to the Public?—Yes.

4141. Then the proposition that the Bank of England refused, was to permit you to discount bills to the amount of 200,000 *l.* at a rate of interest one per cent. lower than they discount to the Public?—They refused to discount to us 200,000 *l.* at the same rate of interest that they agreed to discount to the other Bank; upon

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my own recollection I am not certain what the rate of interest was, I only state what I happen to know.

4142. Was the difference between you and the Bank of England as to the rate of interest, or as to the amount of the accommodation you were to receive from the Bank of England?—The reasons for declining to make that arrangement with us, as given to us, I have already stated; there was no discussion about the rate of interest, there was no discussion about the amount; there was this question submitted, If we were to make this arrangement with you to discount always to the amount of 200,000 *l.* would you on your part always agree to keep it up to that amount, or within 10 or 20,000 *l.* of it; our answer was in the negative, that we would not agree to keep it up to an amount beyond what we wanted.

4143. Was that the point, do you conceive, upon which the negotiation went off?—No, I think not.

4144. What was the point upon which you conceive the negotiation went off?—It is difficult for me to say what were the reasons that ultimately decided the Governor and Directors of the Bank of England to decline our offer; I only state what took place at the interview; the Governor certainly stated, strongly and repeatedly, his general objection to making advances into those parts of the country where there was not a reasonable ground to suppose that a greater aggregate amount of their notes could be kept in circulation than were then kept in circulation; he dwelt much upon that. We argued, that we must have a given number of notes for our accommodation, and if we did not get them directly from the Bank, we must get them from the broker over the way; but we would prefer having them direct from the Bank. The answer was, If you get them from the broker over the way, we can manage him better, and keep him down better. Then the whole discussion went upon this, whether they could or could not, through that arrangement, make us more extensive agents of the Bank of England, for that was the gist of the thing.

4145. You stated, that the Governor of the Bank of England told you that if he gave this privilege, it would put it out of his power to control the amount of the issues of the Bank of England in the way he thought necessary for the advantage of the Bank?—He said that he did not think it desirable to make the arrangement unless he could feel a moderate degree of assurance that the discounts would remain in the country to a greater amount than was then remaining; that Manchester was full of their circulation at the time, as he expressed it, and they could not fill it more with their notes. He was looking naturally to the interest of the Bank of England; we, of course, considered that they were justified in looking to their own interest as well as we to ours, and we did not object to this course of reasoning, if they thought they could keep more of their notes out, and promote the interests of the Bank of England more by giving those facilities to the Bank of Liverpool than they could do by giving the like facilities to us; we considered that in attending to their own interest they were justified in refusing us.

4146. Is it your opinion that the effect of having given you that power would have been to put the circulation of the Bank of England more out of the control of the Bank of England than by giving this facility to the Bank of Liverpool alone?—It is my opinion that the facility in question did not alter at all the quantity of Bank of England notes to circulate in the county of Lancaster, because each Bank, having the power, can circulate as many as they please; it is a mere question of facility, having to walk over the way to get them, instead of having to send 200 miles, and pay the carriage and pay agency; we should be saved all that trouble, provided we could get it directly from the Bank. We tried to argue it with them, and so far as regards argument we thought we made out an unanswerable case, and in fact that the Governor and Deputy Governor were unable to make what any gentleman would call a fair reply to our appeal upon this question, that we wanted this facility in our own neighbourhood; and it was quite absurd to suppose that whether we had this 200,000 *l.* from the Branch Bank in Manchester, or the like sum from a bill broker in London, could make any difference in the circulation.

4147. Do you continue your account with the Branch Bank?—Yes, we do.

4148. Then any bills which you may discount with any bill broker in London you are able to receive through the Branch Bank of England in Manchester?—Yes.

4149. Then, when you talk of the trouble and expense of obtaining remittances from London to Manchester, in fact all that trouble and expense is removed by the payment being made through the Branch Bank?—No, we have to employ an agent

agent in London; all the business that is done in London is done through an agency, it is done through brokers, and we have to pay a commission.

4150. Which could be saved if you had the discount immediately from the Bank?—Yes; and it is not the mere expense, it is the facility of doing business if you can get your supply by personal application in the neighbourhood.

4151. Does the broker in London always charge you commission?—He does not charge us a commission, but he charges it upon his business.

4152. Does he not discount for you at a fixed rate, without any charge of commission?—The brokerage is fixed from time to time. What I meant to say with regard to the expense of brokerage is simply this, that if brokers in London are to be employed at all to collect Bank of England notes here, and to supply them to parties at a distance, they must receive a remuneration for it; but the notes being supplied by the Bank of England through its own office to the party that wants them, saves that expense to some party; and it is reasonable to suppose that the party using them ultimately pays all the expense that necessarily falls upon the getting of them.

4153. What per centage do you pay to the bill broker for discounting the bills?—We pay a certain rate of interest, we do not pay in terms a commission.

4154. What rate of interest do you pay to the bill broker?—I have here a paper containing the rate of interest actually paid at the different periods for discounts by the Bank of Manchester; and I have also a Table showing the rate of decline from July 1829 to September 1830, and the decline and rise in the rate of interest subsequent to that period.

4155. Where were those rates of interest paid?—At wherever the discounts were made, in various places.

4156. Including the Branch Bank?—I do not know that we discounted at that time with the Branch; it was the average of the interest paid during those months, wherever the money was got from. With the permission of the Committee I will read this statement of the fluctuations in the market rate of interest.

[The Witness read the same, as follows:]

June - - - 1829 - - - 3 $\frac{3}{4}$	June - - - 1830 - - - 2 $\frac{3}{4}$
November - 1829 - - - 3	November - 1830 - - - 4 $\frac{1}{2}$
April - - - 1830 - - - 2 $\frac{3}{4}$	April - - - 1831 - - - 4 $\frac{1}{2}$
September - 1830 - - - 2 $\frac{3}{4}$	{ November - 1830 - - - 4 $\frac{1}{2}$
	{ September - 1831 - - - 4
January - - - 1831 - - - 3 $\frac{1}{2}$	January - - - 1832 - - - 3 $\frac{3}{4}$
February - - - 1831 - - - 3	February - - - 1832 - - - 3 $\frac{1}{2}$
April - - - 1831 - - - 4 $\frac{1}{2}$	April - - - 1832 - - - 3 $\frac{1}{2}$
June - - - 1831 - - - 4 $\frac{1}{2}$	June - - - 1832 - - - 3 $\frac{1}{4}$
July - - - 1831 - - - 3 $\frac{5}{4}$	July - - - 1832 - - - 3 $\frac{1}{4}$

Now it happens to be within my knowledge, as a merchant and manufacturer, that there had no fluctuations taken place in the profits of trade which ought to determine the rate of interest, that in any respect could account for those variations. We object to a system that necessarily causes such extraordinary and sudden variations in the rate of interest, which are not in any way called forth by corresponding changes in the state or the profits of trade.

4157. At what rate of interest have you discounted bills for your customers during the same period?—We have sometimes discounted at a loss; we have never charged, during any portion of this time, so much as four and a half per cent; a very small portion of the time has any Banker been enabled to charge even four per cent. The system of banking in Lancashire is, that the Banker gets his profit in way of commission, that is, he lays a tax upon his customers in the shape of commission, instead of getting a remuneration by way of the difference of interest between the deposits and what he discounts at. The Lancashire Bankers, therefore, sometimes actually supply their customers with money at a cheaper rate than they are obliged to pay for it; this is owing to an unseen hand, that operates in a way prejudicial to our interests, and which we wish to see prevented from having a power so to govern us.

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and
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4158. Has the same variation taken place in the rate of discount you have charged to your customers, that has taken place in the rate you have paid?—No, we have been very steady in the rate of interest we have charged. Being obliged to adhere to an uniform rate of interest ourselves; not to show the same whim to our customers which does somehow or other operate against the Public, we are obliged sometimes actually to incur a loss by supplying our customers with money at a lower rate of interest than we pay; and on the other hand the merchants are always sharp enough to know when the public rate of interest is low; and when the Bank get money at two and a half per cent, they will not pay four per cent.

4159. What is the rate of interest you have charged to your customers?—It has varied from three to four per cent during that period; the usual rate is three per cent, and a quarter per cent commission; sometimes it has been a little higher, when money is high.

4160. What interest do you allow upon deposits?—Two and a half per cent.

4161. What do you charge upon merchants accounts when they are overdrawn?—We charge an uniform rate, whether they are overdrawn or underdrawn; we never allow them to be overdrawn, except to safe customers; we charge 5 s. upon 100 l. to all.

4162. Supposing a merchant overdraws his account by 500 l., you would charge three per cent upon the amount overdrawn, and a quarter per cent commission?—Whether overdrawn or underdrawn; all the money that we pay, we charge a commission upon.

4163. Do you not charge a higher rate of interest when the account is overdrawn?—No, I am not aware that we charge any higher rate to one class of customers than to another, whether the account is overdrawn or not.

4164. Do you charge a commission upon both sides of the account?—No, only upon the payments. We take care to get ourselves paid somehow or other; and we charge upon what we pay out upon every item, that goes to the debit of the customer's account, and to that is superadded a quarter per cent.

4165. Would it be the case if there was a payment into your Bank of 500 l. and it was left for any fixed period, say six months, and it was drawn out again in one sum?—What I have been saying has reference to what we call the circulating accounts; and then there is a set of accounts, called deposit accounts, which are rather different.

4166. Upon circulating accounts, do you give any interest upon accounts in which the balance is against you?—Yes, we charge and allow the same rate of interest.

4167. Do you make no difference between the rate of interest you charge and the interest you allow?—No, we assume that the balance fluctuates.

4168. Then if a customer has a balance in your hands, you allow him three per cent, and if he overdraws that account, you charge him three per cent?—Yes, if his account is one of circulation.

4169. Then the only profit you get upon that is a commission?—Yes, and sometimes we do not get all that, as I said before.

4170. Will you explain the nature of a Deposit Account?—Upon the deposit accounts we get a difference of half per cent; we charge the customer three per cent, and get a difference of half per cent.

4171. Do you pay interest upon deposits only for any given period, or for all periods?—For all periods, so long as they are in our hands. Upon this scale of fluctuation in the rates of interest I have another paper, which states the periods when there was a decline in the rate and an advance in the rate; and it states the amount of the advance compared with the first period, and the amount of decline compared with the first period. The total amount of advance, compared with that period, was in one case half, in another three-fourths, and in another one per cent, and a decline of one-half per cent; so that the total difference will be found to be, during that period, equal to one and a half per cent in the interest.

4172. Have the goodness to deliver in that Paper.

[The Witness delivered in the same, which was read, as follows:]

FLUCTUATIONS in the MARKET RATE of INTEREST.

PERIODS Between which the Fluctuations occurred.	Advance.	Decline.	Advance compared with 20 July.	Decline compared with 20 July.
1829: From 20 July to 30 July - - -	- - -	$\frac{1}{4}$ p' Cent.	-	-
- From 30 July to 2 November - - -	- - -	$\frac{1}{4}$ -	- - -	$\frac{1}{2}$ p' Cent.
- From 2 November to 19 April 1830 - - -	- - -	$\frac{1}{4}$ -	- - -	$\frac{3}{4}$ -
1830: From 19 April to 29 September - - -	- - -	$\frac{1}{4}$ -	- - -	1 -
- From 29 September to 22 December - - -	$1\frac{1}{2}$ p' Cent.	- - -	$\frac{1}{2}$ p' Cent.	-
- From 22 December to 10 January 1831 - - -	- - -	$\frac{3}{4}$ -	- - -	$\frac{1}{4}$ -
1831: From 10 January to 19 February - - -	- - -	$\frac{1}{4}$ -	- - -	$\frac{1}{2}$ -
- From 19 February to 28 February - - -	- - -	$\frac{1}{4}$ -	- - -	$\frac{3}{4}$ -
- From 28 February to 9 March - - -	$\frac{1}{4}$ -	- - -	- - -	$\frac{1}{2}$ -
- From 9 March to 6 April - - -	$\frac{1}{2}$ -	- - -	- - -	-
- From 6 April to 11 April - - -	$\frac{1}{4}$ -	- - -	$\frac{1}{4}$ -	-
- From 11 April to 28 June - - -	$\frac{1}{4}$ -	- - -	$\frac{1}{2}$ -	-
- From 28 June to 17 September - - -	- - -	$\frac{1}{2}$ -	- - -	-
- From 17 September to 15 October - - -	$\frac{1}{4}$ -	- - -	$\frac{1}{4}$ -	-
- From 15 October to 21 January 1832 - - -	$\frac{1}{4}$ -	- - -	$\frac{1}{2}$ -	-
1832: From 21 January to 15 February - - -	- - -	$\frac{1}{2}$ -	-	-
- From 15 February to 3 May - - -	- - -	$\frac{1}{4}$ -	- - -	$\frac{1}{4}$ -
- From 3 May to 10 July - - -	- - -	$\frac{1}{4}$ -	- - -	$\frac{1}{2}$ -

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4173. Was not the object you had in the proposition you made to the Bank of England, to avoid this variation in the rate of interest, and to be able to discount your bills at a fixed rate of three per cent?—I cannot say that we had any very profound view about that subject; we thought it would be more convenient on the whole, and that at three per cent we should not be much losers; and at that particular moment we should rather have been gainers, but we thought it would be more convenient to have it in that way; and besides we thought the whole thing was a very temporary affair, and we had better make shift to get on as well as we could, till we saw the law changed. That is the tone of reasoning that we have used; considering the law is so unjust to parties concerned in Joint Stock Banking, and so impolitic with respect to the Public, we could not think it could be of long duration, and whatever we have done has been, in our view, of a temporary character.

4174. You have stated that in parts of that period to which you have referred, you have been obliged to supply your customers at an absolute loss to the Bank of Manchester?—Had we been left to do our business in our own way, had we had no impediment to contend with but that of a fair competition, we should have thought it most impolitic, under any circumstances, to give 3 s. a year, for example, for the right to use a 5 l. Bank of England note, when we could print them for a halfpenny, and give them as much circulation as the Bank could. If we could have had a fair opportunity of employing our capital to the best advantage, we should have thought it most preposterous to buy at any rate, even at 2 s., a right to use a Bank of England note; in other words, we should have issued our own notes. But I should say, with regard to that question (certainly it is involved in a good many difficulties), that we, as merchants, having a far greater interest as merchants than we have in the petty interest we hold in those shares as Bankers, we should have been very careful how we should ever have given the sanction of our Company to the creating of local paper in a part of the kingdom which has never been annoyed with insecure paper of the kind to which I allude; and we should still be cautious how we set an example of issuing notes payable on demand, which may be followed by Companies possessing none of the elements of security which we think ours does, and which we think all ought to do.

4175. Practically, as the law at present stands, would not the effect of the Bank of England having agreed to your proposition, have been, that you would have been able to discount to the amount of 200,000 l. at three per cent, whereas you have stated that you had been obliged to discount during this period sometimes as high as four and a half per cent?—In February 1832 it was three and a half per cent, at that particular period we should have gained one-half per cent; and therefore we do not find fault with the Bank of England; but it seemed an inconsis-

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tency that they should have given to a neighbouring Bank, of which we were also proprietors, and the constitution of which was precisely like our own, such a facility, and denied it to us ; it was that circumstance, and that alone, that I stated.

4176. What was the date of that particular transaction to the amount of 20,000 £. which the Branch Bank refused to discount for you ?—It is rather more than a twelvemonth ago.

4177. Was that an application for a discount at three per cent ?—It was an application for discount at the usual rate ; there was no discussion at all about the rate of interest.

4178. Do you recollect whether the agent of the Branch Bank gave any reason of a general nature, not applying to the particular local condition of Lancashire, why he refused that discount ?—I recollect that the agent of the Bank of England has frequently sent back a part of the notes, making what our manager considered a very inexplicable selection, that is, selecting some and returning others ; some bills have been returned as objected to by the Branch, without giving any reasons, when it was utterly impossible, by looking at the character of those bills, to know the ground of their objection, even supposing the security of the Bank of Manchester was not appended to them ; we have been curious to conjecture why they should take one bill and reject another, when we knew the security to be good. Our manager said that he was catechized so much about the private affairs of the drawers and acceptors of those bills, that it became an irksome duty.

4179. Do you recollect whether the manager of the Branch Bank, upon the occasion referred to, gave any other reason than that of the local circumstances of Manchester, whether he gave any reason of a general nature, which induced the Bank at that time to reduce its discount accommodation ?—I have already stated that the manager of the Branch never gave any reasons at all, he simply either accepted or rejected the paper.

4180. You stated that you thought it objectionable that bills of exchange should be re-issued from the Bank, because by that they escaped the stamp duty ; will you state what you meant by that ?—I stated that if it was deemed a correct principle to make our circulation pay a tax in the shape of stamps, both as applied to bills of exchange and to cash notes, it seemed an infringement of that principle to let a portion of the circulation do the business effectually with notes already created, instead of creating new bills for each new transaction. In the case to which I have alluded, are 2,000,000 £. of payments, partly in gold, partly in cash notes payable on demand, and partly in bills of exchange, which latter serve precisely the same office, namely, as “a purchasing power ;” and one-twentieth of the whole nearly, or 90,000 £. has performed that office as a purchasing power, without having been subject to the same tax in the performance of that office, which the other 190,000 £. necessarily have been subject to.

4181. Are not those bills of exchange stamped ?—Yes, but they do two offices, they are re-issued by the Bank. I conceive that any circulation paid by note on demand, or a note payable in three months, if it goes forth from the creating power, may be used by the community as much as it likes within the period of its circulation ; but that if it issues again from the Bank, that subsequent issue of a bill of exchange ought to be always subject to the same condition with the first issue, and they should pay whatever stamp a new bill is destined to pay, to render the tax equable on this portion of our circulation, as is the case with cash notes.

4182. May not a cash note be re-issued by a Bank as often as it pleases ?—Yes, but that is uniform ; all cash notes may be so issued ; and it is not uniform as applied to the others, it is only a small portion of them ; it is only 90,000 £. out of an amount of 2,000,000 £.

4183. Why is there only one portion of them that are re-issued ?—The customers of the Bank wish to save stamps, and they prefer, if they can get a bill of about the amount they want, they prefer one that is not charged. But I do not mention this as a complaint.

4184. Have you not seen bills which have come for payment with indorsements of from 15 to 20 persons upon them ?—Very often.

4185. If any body has a demand upon you, instead of drawing upon your London agent, you pay away a bill that is discounted upon yourself ?—Yes.

4186. How would you propose to remedy that ?—I would not propose any remedy, I merely state the simple fact ; we have nothing to do with it.

4187. Is not what you are speaking of, a bill of exchange, of a longer or shorter date, according to the time at which it has been drawn and the time at which it is paid

paid to your customer?—Certainly; but it may be stated in reference to that, that the customer might have a bill drawn at precisely that number of days that that bill is to run. I consider that it is unnecessary that a great central part of our industry should be necessitated to use a description of currency or circulating medium which forces us to pay a commission for its use. I think if the system were put upon that footing, that we could issue our own notes, and, making those secure, the community would be equally well supplied, and much better supplied, without being subject to that tax.

4188. What are the legal disabilities affecting the operations of the Bank of Manchester, of which you complain; first, with respect to the issue of notes, why is it that the Bank of Manchester does not issue its own notes?—Because it cannot make them payable in London, and without their being so payable, in the present feeling of the community, they would not keep out a sufficient length of time either to serve the purposes of the community or the purposes of the Banker, namely, profit upon the capital.

4189. Do the Bankers in Manchester who have a right to issue notes payable in London, issue notes?—They do not.

4190. Has there not always existed a very strong feeling against the issue of notes by private Bankers, in Lancashire?—Some years ago, the private Bankers I believe were desirous of issuing notes, and I know that they had notes printed and all ready to be issued, and there was so strong a feeling amongst the Public, not against the individual Bankers who contemplated issuing notes, but against the precedent, lest it should extend to other Bankers who were not of that secure character, that there was a Town's Meeting held upon that occasion, and resolutions were passed upon the subject; there was a strong repugnance on the part of the Public to the reception of such notes, and it manifested itself in the shape of public meetings and in the shape of resolutions.

4191. In consequence of that strong expression of public feeling, did the Banker, who had prepared to issue notes, abstain from doing so?—Certainly.

4192. At what period did this happen?—There were two occasions; the occasion I have just mentioned was in 1824; the next was at the time the Bank of Manchester was formed; shortly after it was formed, and before the Bank had come into operation as a Banking Company, there was another feeling of the like nature, under the apprehension that this Company was going to break in upon the previous custom, and supply the country with local notes, and there was a public meeting and resolutions passed, not with reference to that or any particular Bank, because it was not named upon that occasion, but with reference to the desirableness of having only bills of exchange and Bank of England notes to fill the circulation, upon the ground, that if local notes were to be issued, they would be attended with great insecurity to the Public.

4193. Is there a repugnance in the county of Lancaster against the issue of local Bank paper?—There certainly is that repugnance; it rests entirely upon the apprehension of danger from the failure of private Bankers, and other Bankers of not sufficient strength, issuing notes, so that the same evils that have happened in other parts of the country by the failure of those parties, might happen in our part of the country.

4194. You have stated that there is a repugnance on the part of the Public to receive local notes in Lancashire, is there any repugnance on the part of the Bankers in Lancashire to issue them?—At present there is.

4195. You have stated that the reason the Public object to them is, that they are afraid they would be insecure; what is the reason why the Bankers in Lancashire do not choose to issue them?—Because, whilst that apprehension exists among the Public, it would apply to all the notes, and the Bankers would not find any profit in attempting to keep them out.

4196. Supposing the Bank of Manchester were enabled to issue notes payable in London, would they issue notes?—Not if the law relating to banking was unaltered, because it would still be setting an example which might be followed: Supposing that out of ten Banks in Manchester, or any other large town, there might be three that would be quite secure, if there were only those three, and there was a certainty that there would not be any weak ones established, then I presume in that case those three or four Banks, or whatever the number might be so circumstanced, would issue notes; certainly the Bank of Manchester would, if it had not to compete with any but strong companies, and if it had not to contend with that apprehension of insecurity.

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4197. What are the alterations in the law, which would in your opinion make it advisable for the Bank of Manchester to issue its notes?—The alterations in the law which the Directors of the Bank of Manchester, in conjunction with the Directors of the Bank of Liverpool, after much consideration of the subject, have thought expedient to recommend, are embodied in a set of Propositions which I hold in my hand; and which, with the permission of the Committee, I will read: “Propositions submitted at the interview with Lord Althorp, by a joint Deputation from the Banks of Manchester and Liverpool, 9th April 1832.—1st. That “Joint Stock Banking Companies shall consist of at least 100 Proprietors, of “whom not fewer than 20 shall have paid up at least 1,000*l.* each. 2d, That “such Companies shall have a paid-up capital of at least 100,000*l.* and a subscribed capital of not less than 500,000*l.* and that all the proprietors of such “Companies shall be individually answerable for all the obligations of the Company. 3d, That such Companies shall make and execute a deed of settlement, “stating the number of proprietors, the amount of subscribed and paid-up capital “of each respectively, the names and designation of the directors and public “officers, and all the conditions of the partnership; which deed shall be sent to “a public registry before it shall be lawful to commence business as a Joint “Stock Banking Company. 4th, That such Companies shall not establish “Branches at a greater distance than 20 miles from the parent Bank, nor shall “such be empowered to issue notes or bills other than those of the parent Bank; “such Branches being intended to act only as discount and deposit offices. “5th, That such Companies shall be under the government and control of “Boards of Directors, to be annually chosen by the proprietors, consisting of “not fewer than seven. 6th, That Reports be made annually by the Directors of “such Companies, exhibiting a corrected list of the proprietors, with the amount “held by each, the amount of capital at the time, and a full and fair account of “the affairs of the Company, which Report shall be sent to a public registry, and “be accessible to the Public on the payment of one shilling. 7th, That such Companies shall have the power of making their notes and drafts, of whatever amount, “payable either at their respective localities or in London, or in both places, but “not elsewhere, and when payable in London, either at a London Banker’s or at “an office of the Company. 8th, That such Company shall have the power to “draw Bank post bills made payable to a party other than the party from whom “the value is received, as the Bank of England. 9th, That such Company shall “have the privilege of using the same description of engraving and watermarks “for the prevention of forgery as the Bank of England has or may have secured “to it. 10th, That such Company shall have the power to compound for stamps “on the same terms *pro rata* for the business done as the Bank of England. “11th, That assignees and trustees who may be shareholders in such Companies, “shall have the power to deposit the trust monies in a Joint Stock Bank, notwithstanding their having a proprietary interest in the Company. 12th, That “transfers of shares in the stock of such Company be allowed to be made on 1*s.* “stamps. 13th, That all Banking Houses not conforming to the proposed law be “held by law to be private banking houses, of whatever number of partners they “may consist. 14th, That while compliance with the preceding conditions be “enforced by Parliament in every Joint Stock Bank that shall be established, “a specific license or charter shall be requisite in each particular case, in order “that Government may exercise its discretion in every application in determining “the number of proprietors and amount of paid-up and subscribed capital which “may be requisite beyond the minimum prescribed by law, to give full security “to the Public, and a reasonable protection to Joint Stock Banks previously “established.”

4198. Have you any observations or explanations to make upon the subject of the resolutions you have just read?—The first resolution is, “That Joint Stock “Banking Companies shall consist of at least 100 proprietors, of whom not fewer “than 20 shall have paid up at least 1,000*l.* each.” We consider that there ought to be at least 100 proprietors, to prevent it being a sham Company; we think that that is the smallest number that ought to exist, and in order that there should not be 100 persons of no substance associated, we think it necessary that there should be 20, each of whom should have at least in cash paid, 1,000*l.* We think that there cannot be a Bank without 20 individuals who have substance enough to spare 1,000*l.* a-piece, and that any such association which is not thus

thus strengthened by numbers and by respectability, ought not to assume the imposing character of a Joint Stock Bank.

4199. The Bank will then be possessed of a certain capital; that capital having been paid up, would you propose any regulations to insure that that capital shall remain?—In a subsequent article it will be seen, that whenever from any circumstance the Bank shall have fewer partners or a smaller capital, it shall cease to be a Joint Stock Bank, and shall have none of its privileges; and of course the law should provide ample penalties, in case of its acting as a Bank, the instant after it had lost the specifical requisites.

4200. Supposing that one of the 20 persons holding ten shares of 100 *l.* each, should sell his ten shares in the Bank to ten other individuals, do you propose that that sale shall affect the Charter of the Bank?—There must always be 20 at least having this amount; there is another strong reason why there should be a certain number of persons belonging to the class called Capitalists, which is, that it is stated in a further proposition, that the control of those Companies must be under a Board of Directors. It would be absurd to choose Directors for managing monied institutions, unless they be individuals having some money of their own; if you want to choose seven Directors, there ought to be three times seven to choose them out of; and under any circumstances we have thought that 20 is the smallest number, because I would not be understood as saying that this number is any thing like the qualification fitting such towns as we belong to, such as Liverpool and Manchester, but that this is the smallest amount, both as it regards the number of partners and the amount of capital. We have had in view to adapt the system to smaller towns and agricultural districts; we have put into the 14th resolution, that Government shall nevertheless be empowered to forbid the establishment of very weak Banks, in large places, if they think proper.

4201. Would you provide that in case the 20 individuals who had paid up 1,000 *l.* each should be reduced to 19, in consequence of the sale by one of them of his shares to several individuals, the Charter of the Bank should be extinct in consequence of that reduction?—Certainly.

4202. Supposing one of the 20 who had so entered into the Bank, should be an enemy to the Bank, and should sell his shares suddenly for the very purpose of destroying the Charter?—The sale must be permitted by the Directors, and the Deed of Settlement will provide that they shall not permit transfers which would break up their Bank. Although it is desirable that the stock should freely circulate, yet there should be that power vested in the Board of Directors which exists in every case of a Bank formed; the Board of Directors have the power to recognize a transfer or not, and they would be blockheads to permit any transfer of stock that would break up the Company.

4203. Is there any Company now established in which the Directors have the power to prevent the sale of shares by an individual?—In every one, I believe, they have the power to prevent any individual from selling his shares; it is under the general law of partnership a Company have a right to prevent any of its partners from seceding, if they choose.

4204. Was this proposition suggested by any thing that occurred in the formation of the existing Bank?—This proposition and all the rest of them was formed after very due deliberation, after seeing the evils, partly in practice and partly in prospect, which might happen if we had not some restrictions; certainly there was an attempt to force a local circulation by a Joint Stock Bank which nobody knew any thing about; and I dare say that was one of the circumstances that led us to think it necessary that we should not have spurious Companies.

4205. Do you mean to say that you would think it undesirable to establish a local circulation in Manchester, unless the law was altered so as to establish Joint Stock Banks something upon the principle you have stated of that plan?—I do, and also a law touching private Banks.

4206. Why do you think it necessary to make any alteration with regard to the banking of Lancashire, where there is scarcely any local issue?—Because I think the supply of the circulation by the Bank of England subjects our trade to great and injurious fluctuations, owing to what is called a scarcity of money, arising from causes of which the Public, who are deeply interested in that question, can have no foreknowledge. The objections to the existing system are, that the Bank of England has a secret and despotic influence to control the destinies of our commerce, which we feel to be a most pernicious one; and we feel strongly upon that point, that whatever law there may be relating to the currency of the country, it

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ought not to be left in the hands of that individual Company so to control the interests of commerce; that the Bank of England has, by its expansion and contraction of the circulation, induced an expansion and contraction following close upon its footsteps to a ruinous extent. I am fully convinced that all the great periods of panic and disaster to our commerce are in a great measure to be attributed to that power which is exercised in secret, and which the Public can have no knowledge of till it has become efficient as a power acting upon the interest of commerce; and I believe that it has been mainly instrumental in producing the successive stimuli, first to stimulate the Country Bankers to issue a greater amount of circulation, and by "circulation" I mean not merely local notes, but bills of exchange; and that this power has not only produced a great many instances of mischief, but is constantly doing it; it is raising and lowering the value of money, without its value being at all altered by the commercial or other circumstances of the country; and that such a power, which is constantly in action, has been devised for the interest of the Bank, without any regard to the interest of the Public, in my humble opinion at least; and the fact of its always having turned out that the Bank of England secures itself, while the Country Bankers cannot secure themselves, shows that the Country Bankers, upon whom we must necessarily depend, are rendered insecure in consequence of the overwhelming influence of the Bank of England; and we say that a Company having such a vast influence, and exercising it in secret, is a dangerous Company, and that we can devise plans by which we can have a better circulation than what we have had hitherto, the present being in all respects the worst that can possibly be, because there is nothing of stability or steadiness about it.

4207. Will you state what evidence you conceive there is of the pernicious effect of the present system of Banking in Lancashire?—I have stated that I think that that pernicious influence cannot possibly pervade Lancashire without pervading the whole country, and *vice versa*.

4208. You have stated that the Bank of England contract or expand their issues without any reference to the state of the country; do you mean without any reference to the state of the Exchanges?—I believe that if the issues of the Bank are made with reference to the Exchanges, they are always made too late, after the mischief has been done.

4209. How do you know that they are made too late, after the mischief has been done?—I merely know that as matter of belief, that if they do regulate their issues so as to keep the Exchanges more steady than they would otherwise be kept, which I do not admit as a fact, I think the Exchanges would be kept much more steady without any such power; but upon the supposition that they do in fact have any reference to the Exchanges, they must come too late to prevent the mischievous effect of expanding the currency.

4210. Is the Bank of Manchester governed at all in its issue by the state of the foreign Exchanges?—Certainly not.

4211. Do you not think that it is desirable that the currency of the country should be contracted when the Exchanges are against the country?—That is a question which might be answered either in the negative or in the affirmative, according to the circumstances of our commerce at the time. I think that a contraction of the currency is not always necessary, and sometimes by no means the best way of preventing the Exchanges from going against the country.

4212. In what mode do you think the Exchanges can be rectified when they are against the country?—I take for granted that in all cases when the Exchanges are against the country, there is a profit upon the exportation of gold; if there appears to be a profit upon the exportation of gold, it is because there is not a sufficient demand for our manufactures. If there is a general confidence throughout the country in the paper circulation that then actually exists, there will be no run for gold, except for exportation. In this case, the same cause that led to the exportation of gold, namely, the cheap rate at which bills of exchange on London from abroad could be obtained, would afford a proportionate extra profit on our manufactures in foreign countries, and of course would lead to a greater demand for them and other merchandize for exportation. This increased amount of our exports, especially if it should happen, as most likely it would do, that our imports of merchandize were not increased during the period of such run for gold for exportation, would speedily turn the balance of trade in our favour, and to make the extra payments for such balance would cause the current of gold to flow back upon us. The increased activity of trade thus induced, might lead to a permanent

ment increase of the aggregate amount of our circulation, and to the consequent lowering of its value as a purchasing power, according to the influence of other causes, that might simultaneously act upon our trade. In case our currency should become thus expanded in its numerical amount, and thereby reduced in value as a purchasing power, the like effort would ere long inevitably follow with respect to the currency of all other countries with which we have commercial intercourse; and this would result from the paramount influence of the actual standard of value which shall happen to prevail in England over the like standard in other States. Upon the supposition, however, that the condition of other countries should be such as to prevent the extra demand for our goods, as has been supposed, and that the return of the gold exported could not be thus insured, it would be a far less evil to allow the Exchanges still to fall, until they did produce that effect, rather than spread distress through the kingdom among all of the productive classes by a sudden and extensive contraction of the paper circulation. In short, the Bank of England is unfitted, even if the Directors were ever so much disposed to exercise a proper controlling power over the amount of our circulation and the rate of the Exchanges, so as to keep either of them free from the ruinous fluctuations before referred to. Banks, to effect these objects, must be confined to the circulation of paper, whether it consists in cash, notes or bills of exchange, against paper or credits that will circulate, against credits that will not circulate. But the Bank of England is obliged to make large issues against stock, and on inconvertible securities, or, in other words, they do not supply the circulation for commerce by discounting bills.

4213. Are you at all aware of the principles upon which the Bank of England regulate their issues?—No, I am not, except it be upon the principle before alluded to, namely, of making the best profit they can for the proprietors of Bank Stock. If they have any other principle as their guide, it is not acted upon in time to show its efficacy in preventing ruinous fluctuations in currency... I wish to correct one answer that I made: I was asked whether the Bank of Manchester attended to the Exchanges; I said, certainly not. I should have added, because they do not issue their own notes.

4214. If they did issue their notes, would they attend to the Exchanges?—They would be bound to attend to the having a sufficient supply of gold as the basis of their issues, undoubtedly, which would itself force a question upon them as to where the gold was to come from.

4215. Then you consider that if they were to issue their own notes, they must in their own defence attend to the foreign Exchanges?—Undoubtedly; at present all that the Bank has to do is to provide itself with a sufficient quantity of Bank of England notes; in the supposed case, it would not have to provide itself with Bank of England notes, but with gold enough to support its own circulation.

4216. Supposing in that case your deposit of gold should happen not to be sufficient to sustain your circulation, and that you required more gold; to what source would you look to be supplied with the additional quantity that you wanted?—To the same source that all companies and parties must look to for the supply of any marketable commodity; they must have the power of buying it, and they must buy it in the market; if they cannot buy it at home, they must buy it abroad; it must come from the market of the world.

4217. Is it not a fact that those who want gold, find it, in any quantity they desire to have it, in the Bank of England; and is not the Bank of England in point of fact the feeder for the gold that is wanted in the three kingdoms?—At present it would be quite preposterous for the Public to trouble themselves about where gold comes from or where it goes to, seeing that they can get a piece of paper that commands it.

4218. Would not that be the case under any circumstances that you can contemplate; supposing the Bank of England were still to continue a great Bank and the great depository for gold, would you not look to that as the means by which you are to be furnished with gold?—We should assume that if the Bank of England was carrying on business as a Banking Company with 14,000,000 £. and we were carrying on business as Bankers with half a million, that they ought to have twenty-eight sovereigns in their Bank for one that we should have; that they ought to have a similar basis to support their circulation, and that if ours falls short in any way, we should get the paper of that Bank, or some other Bank instead of our own, to draw out so much. If we had not sufficient, and they had more than sufficient, we should go to them to supply the deficiency, because the fact of their

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having a greater quantity of gold would be an indication that they had a large quantity of paper out.

4219. Supposing you issued notes, what proportion of bullion should you think it necessary to keep in proportion to the liabilities of the Bank, including deposits and issues?—It would be a matter of trial altogether; as prudent merchants, and having a forecast that we were entering into a business that might occasion a serious call upon us, we should begin business by keeping a surplus quantity of gold, quite enough to provide for our issues under all circumstances; or, in other words, we should put our 300,000 *l.* capital into gold, or so that we could command gold, and we should begin by issuing a part of it; we should not issue the whole amount of it till we ascertained, by the steady confidence we could establish in this circulation, and by the length of time which our paper would keep out, how much it was safe to reduce our gold as a basis; and if we found that we could keep out 300,000 *l.* with 25,000 *l.* as a constant reserve, that would be the sum that we should lose interest upon; if we found it necessary to have 50,000 *l.* as a constantly redeeming power, then we should lose interest upon the 50,000 *l.* But it would be impossible to state otherwise than by conjecture, what would be the metallic basis that ought to support a certain circulation. So far as I am acquainted with the local circulations in America, where they are professed to rest upon a metallic basis, it appears that nearly all the Banks are required by law to have always a sum in their Bank, in cash, equal to one-fourth of the amount of their notes in circulation. They are required to make statements to the Commissioners appointed to examine periodically into the keeping of this condition; and I know it to be a fact, that the Banks very often have a previous agreement among themselves to furnish one another with the required sum: that in fact they are enabled to keep out a very large amount of paper without their paper being depreciated in respect of its convertibility into specie, or at least this was the case in Boston when I was there; and when I was conversant with the operations of the Banks, 20 years ago, they were enabled to keep out much more than three to one by this plan of assisting one another when the Commissioners were coming round, and they happened to have a smaller amount than was required by law; and therefore sooner than lose their Charter, they resorted to that expedient.

4220. Are you aware of the great destruction that has taken place amongst the American Banks since the period you speak of?—I am aware of what has taken place with the American Banks since the period of which I speak, which I do not exactly wish to designate as a great destruction; only such portion of them have failed as ought never to have existed; there have been about 100 Banks failed in the United States. With respect to Boston, of which I spoke, there has not been any Bank failed since that time, nor any Bank whose paper has been at a discount. What I would wish to state is, that I believe a large paper circulation may be used in a commercial country, without any serious apprehension of its being at a discount, so as to cause an exportation of gold, provided the paper issues from such sources only that the community have unqualified confidence in the soundness of them.

4221. Are you of opinion that the Government itself, which is the most responsible of all parties that could issue paper, could issue paper of its own to an unlimited extent with safety, that paper being convertible into gold at the option of the holder?—Provided they had an unlimited quantity of gold to redeem the paper, they certainly could.

4222. Have you any other explanations to offer with respect to the Resolutions you have read?—The second Resolution is, “That such Companies shall have “ a paid-up capital of at least 100,000 *l.* and a subscribed capital of not less than “ 500,000 *l.*; and that all the proprietors of such Companies shall be individually “ answerable for all the obligations of the Company.” The particular amount we do not wish to legislate upon; we think that this is small enough.

4223. Do you think that a paid-up capital of 100,000 *l.* would be sufficient for a Bank to carry on an extensive business in Manchester?—I before stated that we think it would be monstrous to have in such a town as Liverpool or Manchester a capital of only 100,000 *l.*; but that this was suggested with reference to smaller towns, such as Derby, Leicester and Northampton, in which it might be desirable to give the community the benefit of having such Banks.

4224. Without reference to the particular amount, do you think that is a sound system of banking by which a Country Banker depends entirely upon obtaining accommodation from the Bank of England, or elsewhere, for his power of discounting for

for his customer?—Certainly not; the main point we always had in view is, that there should not be any Company denominated a Joint Stock Bank, in which the public should not have entire confidence; and such a Bank could not carry on business, either with profit to the public or with safety to itself, without having an amount of paid-up capital proportionate to the amount of business it does. With regard to the Liverpool and Manchester Banks, we have already shown by our practice that in each of those instances we wanted 300,000 *l.* even to begin with.

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4225. Are the Committee to understand that the only privilege you propose to give to a Joint Stock Bank is, that such a Bank may issue its paper without depositing security, whereas in private Banks they must deposit specific security for the amount of the notes they issue?—No; all the Joint Stock Banks ought to have something upon the very face of the note, which shall, the moment it is looked at, show it to be the note of a Joint Stock Bank; and probably the best indication of that would be, the absence of any stamp upon it. I do not pretend to enter into the details of legislation upon this subject, but I think there should be something upon the face of the note, and perhaps that something should be not merely a mark, but should be indicative of a privilege, namely, to issue unstamped paper. Those articles, II. and XIV. should be taken together, because while compliance with the preceding conditions shall be enforced on the part of every Joint Stock Bank that shall be established, a specific licence shall be requisite in each particular case, in order that Government may exercise some discretion in every application, in determining the number of proprietors plus 100, and in determining the amount of capital plus 100,000 *l.* which may be requisite beyond the minimum presented. If those two articles are taken together, the Committee will see that we have thought it necessary to leave that discretionary power with the Government, to adapt large Banks to large places, whilst they shall be bound not to allow to small places any Bank smaller than those here defined.

4226. Supposing 1,000 *l.* capital to be paid up by a subscriber to the Bank, should you prohibit that subscriber from keeping his account at the Bank, and drawing out nearly to the amount of that at any time?—A proprietor of a Bank has no right to draw out a shilling against his shares, unless they chose to trust him.

4227. Should you object to his having an account at the Bank, which should enable him to procure a loan to the amount of 1,000 *l.* or less?—We should object to the circumstance of his having the joint character of a customer and a proprietor being any reason why we should trust him any more than we should trust anybody else.

4228. Is the circumstance of his being a proprietor a reason why they should not trust him to that amount?—Certainly not, it is rather an indication that he is worth something.

4229. Provided you chose to take him as a customer for a loan of 1,000 *l.* might he not pay up 1,000 *l.* as a shareholder, and draw out 1,000 *l.* on his account as a customer, and thus leave no money in the Bank whatever?—If the Bank chooses to trust its customers, who may happen at the same time to be shareholders, to the amount of their shares, that may happen in those cases; but it by no means follows from the manner in which those Banks are constituted, or from the manner in which they conduct their business, that such a thing would necessarily happen; if they trust them, they trust them upon the general merits of their being entitled to credit, and not on account of their shares; we have purposely left out a lien.

4230. Supposing such a case, which you admit possible, to take place amongst the 20 shareholders to the amount of 1,000 *l.* each, should you think that was a case which forfeited the Charter?—With reference to the 20 shareholders of 1,000 *l.* an extreme case is supposed, that there should be precisely 20 and no more. We have stated this as the minimum, but we have practical operations upon which to presume that the number will speedily amount to many more; and we assume there can hardly be 100 aggregated together as the proprietors of a Bank, without a greater proportion than one-fifth of them being holders to this amount.

4231. Would you consider such a circumstance as a person having subscribed 1000 *l.*, and then having taken out 1,000 *l.* as a loan, as a customer, a case that comes under your idea of a forfeiture of the Charter of that Bank?—I think not, for the reasons I before stated. The third proposition is, “That such Companies shall make and execute a Deed of Settlement, stating the number of proprietors, the amount of subscribed and paid-up capital of each respectively, the names

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“ and designation of the Directors and public Officers, and all the conditions of
“ the partnership, which deed shall be sent to a public registry before it shall be
“ lawful to commence business as a Joint Stock Banking Company.” All those
conditions we consider absolutely indispensable to the formation of sound Companies, the formation of unsound Companies being the great object that we wish to guard against in the stipulation here contained; and without some such provision we think there would be a temptation to turn Bankers under a state of law where no pre-requisites exist at all, where neither the character of the individuals, the amount that they shall have paid, or the articles of co-partnership can be known; we think it is most dangerous to the Public, and it appears surprising, that when the door was opened to such means of gambling, it has not been acted upon more extensively. The fourth is, “ That such Companies shall not establish Branches at
“ a greater distance than 20 miles from the parent Bank; nor shall such be em-
“ powered to issue notes or bills other than those of the parent Bank, such Branches
“ being intended to act only as discount and deposit offices.” It was thought right that a Joint Stock Bank should have the power, if it chooses, in a place like Manchester, to have offices in the neighbouring towns, whose business centres there.

4232. What objection have you to Branch Banks being established at a greater distance?—The objection is, that there might be five or six branches established at obscure towns in the country, such places, for example, as Bullock Smithy; and supposing it were intended by the Bank at Manchester to over-issue, it might send those notes by extraordinary efforts to distant parts of the country, and which might get into circulation, because the name of the Branch Bank of Manchester would be the first spectacle that should strike the eye upon the note; but it would not be that sort of paper that ought to constitute a part of the circulation; the moment it becomes the circulation, it ought to be such as the whole country would recognise as good.

4233. Have not the Banks at Edinburgh Branches all over Scotland, without inconvenience?—We think that that is objectionable, on the ground that one Bank should be one Bank, and that, literally, if it becomes many Branches, it becomes many Banks.

4234. Do do you think that that regulation alone would prevent over-issues?—I think it would tend to do so; we have no doubt that large Banks will issue as much as they can, for the profit of it.

4235. If there was a proper check on issues, would not that admit of Branch Banks being more extensively established?—It is possible that some check might be devised, that might render Branches innoxious. The Fifth proposition is, “ That such Companies shall be under the government and control of Boards of
“ Directors, to be annually chosen by the Proprietors, consisting of not fewer than
“ seven.” The Sixth is, “ That reports be made annually by the Directors of
“ such Companies, exhibiting a corrected list of the Proprietors, with the amount
“ held by each, the amount of capital at the time, and a full and fair account
“ of the affairs of the Company; which report shall be sent to a public registry,
“ and be accessible to the Public on the payment of one shilling.”

4236. Would that include the amount of your deposits of every kind?—A full and fair account of the whole affairs of the Bank, including the amount of treasure and every thing. We consider such periodical publication indispensable, in order that the Public may know who they have to deal with.

Martis, 17^o die Julii, 1832.

THE RIGHT HON. LORD VISCOUNT ALTHORP, IN THE CHAIR.

Joseph Chesborough Dyer, James Burt, and John Benjamin Smith, Esqrs.
called in; and further Examined.

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James Burt,
and
John B. Smith,
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4237. (*To Mr. Dyer.*) WITH reference to the answer you have given to a question put to you in your former examination, respecting the rectification of the Exchanges, are the Committee to understand that your answer assumes that the course on which the Bank acts, is to contract suddenly in order to rectify the Exchanges?—That it acts suddenly, and too late.

4238. Will

4238. Will you proceed to make any further observations that you wish to make in explanation of the propositions you have submitted to the Committee?—The Seventh Resolution is, “That such Companies shall have the power of making their notes and drafts, of whatever amount, payable either at their respective localities or in London, or in both places, but not elsewhere, and when payable in London, either at a London Banker’s or at an office of the Company.” We consider that of great importance; the whole of our plan goes upon the supposition, that if adopted, it will effect not only a great change in our currency, but a great improvement in it; that it will give to the nation at large a currency which will not be justly liable to suspicion or any character of insecurity, in whatever part of the country the notes of any of the Banks may happen to circulate, and therefore if you effect that object, it is of great importance that those notes should be the most convenient instrument for conducting the public business that it is possible to make circulating credit into; but it cannot be thus a convenient instrument for circulating credit unless there be a full right to make it payable in London, which is the great centre of our monetary system and of the system of circulation; we think that in most cases it would be found expedient, upon the score of economy, and of convenience, to make them payable at a London Banker’s, on account of the knowledge and facilities afforded by those houses, which could not be possessed or afforded by any office set up by the Companies; we think that therefore most of the Banks in remote parts of the kingdom would make their notes payable at some London Banking House, but we think it wrong that they should be obliged to do so, because it is possible that an agreement might take place among the London Bankers to exact a commission so large as to outweigh the conveniences, and that, therefore, they should be permitted to go to the expense of establishing their own offices for the redemption of their paper if they choose. Keeping in view, not how it will effect the interests either of the London Bankers or of the Country Banks; however, I should say that notes so payable are the only kind of notes and bills that will answer a good purpose as an instrument for circulating credit, and that, substantially, this ought by all means to be granted.

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4239. Then if the monopoly of the Bank of England was so far relaxed that the notes of Joint Stock Banks in the country under 50*l.* were made payable in London, you think it would be advantageous?—I think it would. But I must not be understood by that reply to mean that the system would be mended sufficiently to effect any approach towards the object that we desire. Upon that subject it may be well for the Committee to understand that we have been informed that an understanding with some of the Joint Stock Banks, I believe the one in Birmingham, has been come to, that they might with safety to themselves continue to issue those notes; if so, nothing could be more monstrous in principle than that such a law should exist upon the subject, which the Bank of England shall have the power of saying shall apply to one party and not to another. We did not think it right to take that precedent as any authority to us.

4240. Did you make any application to the Bank of England to allow you the same privilege that was supposed to be allowed to the Bank of Birmingham?—For the reason I have just stated, we did not.

4241. Do you know whether it was the fact, or not?—We have heard it from several quarters, and we are acquainted with the fact of those notes being issued, but we are not acquainted with the fact that it was with the consent of the Bank; it was a fact that we hardly could know as a fact, but it came out by various intimations.

4242. Did it not occur to you that the Bank of England could not suspend the law?—I have just stated that I thought it would be monstrous for them to do so.

4243. Might they not so far suspend the law, that they would not themselves prosecute the offenders?—The abstinence from prosecution would not be a suspension of the law.

4244. Would it not be a practical suspension of the law?—Certainly not, because the Bank were not the sole parties to prosecute; any party that might prosecute for any offence against the revenue might prosecute; it is made so in the 9th of George 4th.

4245. Are you aware that Mr. Stuckey’s Joint Stock Bank issues notes payable in London under 50*l.*?—I have understood that it does. The 8th Proposition is, “That such Company shall have the power to draw bank post bills made payable to a party other than the party from whom the value is received, as the Bank of

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"England;" that is, that if they draw bank post bills at all, they ought to be permitted to draw them in the way most convenient for their customers. The Bank of England at present has the particular privilege, touching the drawing of bank post bills, of making them payable to a party other than the party from whom they receive value, which is contrary to the general law of bills of exchange. This proposition is, that all Joint Stock Banks shall have the same right. The 9th Proposition is, "That such Company shall have the privilege of using the same description of engraving and watermarks for the prevention of forgery as the Bank of England has or may have secured to it." Upon this subject I would beg to state, that if it be true that any particular description of watermark or paper, or any particular design or mode of forming those designs, be in effect a security against forgery, or a bar to a certain extent against the commission of that crime, it is wrong in principle and injurious in practice to make that a monopoly to any party for the prevention of crime, and that it ought to be extended broadly to the community, in order to prevent crime as much as possible.

4246. Is it your opinion that the Bank does possess any peculiar advantage in preventing forgery of its notes?—Yes, I think it does.

4247. Do you believe that the Bank of England notes are much less forged than any other notes in the country?—Probably they are much more forged than any other; but when I say on the one hand, that I think it possesses a particular power of prevention, and at the same time that it is nevertheless most extensively forged upon, both are reconcileable, because the forgery will be most extensive, even if it be attended with greater difficulty, upon that Bank whose notes are likely to circulate at the greatest distance, and among persons the least judges; but the reason why I think its power of preventing forgery is greater than any others at present possess is, that the watermarks and the style of paper is a greater expense than small Banks could afford to incur, if they had to employ particular paper-makers; if every body were permitted to use the same paper, there might be one great paper manufacturer to supply all the Banks at a reasonable price with the best kind of paper, but if you go to work in an insulated manner, the thing cannot be done so effectually at a small price.

4248. Has not every Bank that issues its own paper the power of establishing every preventive against forgery that art or ingenuity can devise?—No, it has not.

4249. Are you not aware that there was a Commission appointed by the House of Commons for an inquiry into the prevention of forgery; that the notes of the Bank of England had been so much forged, that inquiry was made whether some means could be adopted to make them more secure?—I was examined before that Commission upon the subject.

4250. Do you recollect whether the result of that Commission was, that there was little or no alteration made in the fabrication of the Bank of England note?—I recollect that the alterations were very trifling, compared with what had been supposed practicable.

4251. Are you aware that there are now several eminent engravers in London who have various plans which render the forgery of notes much more difficult than it was at a former period?—I am; and I fully concur in the supposition that they may be rendered by the Bank far more difficult to forge than they now are, if they took the proper steps.

4252. What is the restriction you allude to with respect to the mode of printing the note?—One restriction, which I consider to be an extremely objectionable one, is, that they have secured to themselves the exclusive right of putting the denomination of the note in white figures upon a black ground; that is in many respects an important privilege, which ought to be used in common by all.

4253. Is that by an Act of Parliament?—It is; again they are permitted to put the denomination of the note in a watermark, which no other Bank can do.

4254. Are you not aware that the construction of the paper by the Bank, and the making of the Bank notes, and the whole of their arrangements to prevent forgery, is a very extensive and a very expensive operation to which the Bank are liable?—I am aware of that.

4255. If you think it is a very difficult one, by what process could you obtain from the Bank of England a participation of those guards against forgery, unless you were to make a bargain with them and pay them for it?—Those guards against forgery are not an expensive operation at all; the mere engraving a white letter upon a black ground, instead of a black letter upon a white ground, does not make any expense at all.

4256. The

4256. The question refers to the whole operation?—With respect to the whole operation, it will be seen by many letters I have addressed to the Commissioners, and to the Governor of the Bank, that I consider the whole system of forming their notes an extremely clumsy, an inartificial, and a very objectionable one; and I believe that there are not less than three or four of the plans laid before the Commission that would have been better than the present one.

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4257. Have the Bank of England adopted any of those plans, or have they materially changed their system of making notes?—I believe I have replied to that before in the negative. The 10th Proposition is, “That such Company shall have the power to compound for stamps on the same terms *pro rata* for the business done, as the Bank of England.”

4258. Do you believe that the Bank of England compound for their issues at a lower rate than private Bankers?—I am not aware of the rate at which they compound. The 11th Proposition is, “That assignees and trustees who may be shareholders in such Companies shall have the power to deposit the trust monies in Joint Stock Bank, notwithstanding their having a proprietary interest in the Company.” The 12th is, “That transfers of shares in the stock of such Company be allowed to be made on 1 s. stamps. The 13th is, “That all banking houses not conforming to the proposed law, be held by law to be private banking houses, of whatever number of partners they may consist.” I consider that absolutely essential to the operation of the system of banking founded upon open and equal competition among Bankers; it is directed against what, in answer to a former question, I stated the strong objection that we felt to the existence of spurious Companies under the name of Joint Stock Banks, which would impose upon the Public, unless there was that sort of guard as to distinguishing the characteristics of such Company which the Public could understand. With reference to this article, with the permission of the Committee, I will put in this Paper, which states what has been done in the establishment of 23 Banks under the present law; it being the present law to which we object, and propose this as a remedy.

[*The Witness delivered in the same, which was read, as follows :*]

TOTAL Number of JOINT STOCK BANKS established under the Act 7 Geo. IV. - 23.

They are as follow :

- Huddersfield Banking Company, established 1827; capital 500,000 *l.* and 20 per cent. called up, viz. 100,000 *l.* Has a Branch at Wakefield.
- Bradford Banking Company, established 1827; capital 500,000 *l.*; not known how much called up. Has no Branches.
- Lancaster Banking Company, established 1827, upon a limited scale; its cash capital about 20,000 *l.* Has three Branches.
- Norfolk and Norwich Banking Company, established 1827. Has Nine Branches. Capital not known.
- Bank of Manchester, established 1829; capital 2,000,000 *l.*, 15 per cent called up, viz. 300,000 *l.* Has two Branches, viz. at Stockport and Bolton.
- Halifax Joint Stock Company, established in 1829 upon a small scale, its cash capital being little more than 15,000 *l.*
- Leicester Banking Company, established 1829 upon a limited scale; capital not known. Has one Branch.
- Birmingham Banking Company, established 1829; its cash capital is 50,000 *l.* Has one Branch.
- Cumberland Union Banking Company, established 1829 upon a limited scale; its cash capital is little more than 20,000 *l.* It has Seven Branches.
- Stuckey's Banking Company. This was a private Bank at Bristol, and took the name of a Joint Stock Bank, after adding a few partners. The partners are about ten in number. Have Eleven Branches, besides a house in London.
- Manchester and Liverpool District Bank, opened in 1829 by issuing notes, which state upon the face of them, “Capital 5,000,000 *l.* in fifty thousand shares of 100 *l.* each.” Was nearly 18 months without a board of directors. No account of their proceedings has ever been published, and their present paid-up capital is therefore unknown. Nine Branches open.
- York City and County Banking Company, established 1830, in five thousand shares of 100 *l.* each, upon which 5 *l.* per share have been called up, making a cash capital of 25,000 *l.* Has one Branch.
- Bank of Liverpool, established in 1830; capital 2,500,000 *l.* in twenty-five thousand shares of 100 *l.* each, upon which 10 *l.* per share have been called up, making a cash capital of 250,000 *l.* and a further call of 125,000 *l.* - - - 375,000 *l.*

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Whitehaven Banking Company. On a small scale, and no particulars known here.

Sheffield Banking Company, established 1831, in fifteen hundred shares of 200 *l.* each, upon which 40 *l.* per share have been called up, making a cash capital of 60,000 *l.*

Barnsley Banking Company, established in 1832.

Darlington Banking Company, Darlington District Bank, Gloucester Banking Company, Knaresborough Banking Company, Wolverhampton and Staffordshire Banking Company, Plymouth and Devonport Banking Company, Stamford and Spalding Banking Company,—all recently established, and no particulars known here respecting them.

(*Mr. Dyer.*) The 14th Proposition is, "That while compliance with the preceding conditions be enforced by Parliament in every Joint Stock Bank that shall be established, a specific licence or charter shall be requisite in each particular case, in order that Government may exercise its discretion in every application in determining the number of properties and amounts of paid-up and subscribed capital which may be requisite beyond the minimum prescribed by law to give full security to the public and a reasonable protection to Joint Stock Banks previously established." This resolution refers to the preceding.

4259. Do you mean that in each particular case the Government shall judge of what dimensions the Bank should be that is to be established in each particular town or place?—Yes, it being fixed by law that it shall not, under any circumstances, be smaller.

4260. Do you mean the Government shall in each particular case judge what the capital of the Bank is to be that is to be established in any particular place?—Yes, I think that is a most essential power to be vested somewhere, and I do not know whether it could be safely vested in any hands but of those of Government, because it would be extremely inconvenient to have to go to Parliament for an Act; and from the hurried manner in which Acts of Parliament relating to banking have been carried through, and the extreme defectiveness of their character, it is much better that the Government or Privy Council, or some authorized discretionary Board, should determine this important point; for, the small amount which the limit would permit would lead to the establishment of Banks that would be very unfit for the offices required of Banking Companies in some of the largest commercial Cities, such as Liverpool, Manchester, Birmingham, Leeds, and the like. I should think that in addition to the desirableness of having sound Banks, it is necessary that there should be a reasonable motive to induce capitalists to form them; and that motive, I conceive, would be much strengthened if they were to be assured that the Bank to be formed with half a million of capital would not have to compete with another, alongside of it, with a hundred thousand capital only; and the injuries to capitalists which might thus arise would be so far a discouragement to capitalists to embarking in the establishments of those Banks.

4261. Do you mean that Government should exercise the discretion of establishing partial monopolies to those Joint Stock Banks in all the towns and districts of England?—So far as regards enforcing the use of an ample capital proportionate to the business of those places; if that would be considered a monopoly, I do mean so; I should however dissent from its being considered as a monopoly.

4262. Are the Committee to understand that you propose that the subscribers to those Companies should not be protected from being liable to the amount of their properties?—I conceive that that part of our plan which states that a proprietor shall be individually answerable, is an essential ingredient of the whole thing, without which we can never have a safe banking system; that we are thoroughly convinced of.

4263. Do you think that under such a regulation, a sufficient number of Joint Stock Bank Companies would be established?—I think there is no doubt they would be established in sufficient numbers to supply all the wants of the country, provided they were protected in the manner we have explained.

4264. Was there any difficulty in obtaining subscribers in forming your Bank, or any other Joint Stock Bank, on account of the liability?—When our Bank was formed, there was a very strong feeling that this liability was a serious hazard, and many persons had great difficulty in bringing their minds to it; but two years afterwards, when we went to Liverpool, and met some of our friends there, and took steps for forming a Joint Stock Bank similar to our own, we found that that feeling had in a great measure subsided; though it did exist to a great extent, it was a comparatively feeble one, and confined to few persons, from what it was

before; and we found that by successive sales and transfer of our stock at the Bank at Manchester, that many parties have now come in, and bought this stock at a premium of about 10 per cent. willingly, who could not be induced at the outset to have it at par. Great exertions in the outset were made to induce all the merchants and capitalists in our neighbourhood to come in and take shares in this Bank, and it certainly dragged very heavily for the first two or three months; there were many exhortations upon the subject, saying that the fear was that of the shadow rather than of the substance; but time seems to have so far improved it, that there would be no doubt of capitalists congregating together so as in due time to supersede to a great extent the objectionable kind of circulation to which I have alluded. The kind of circulation to which we object is that of the Bank of England, and the creating of bills of exchange.

4265. What is the price of your stock?—It is a little over 19*l.* now, for 15*l.* paid up.

4266. Has the price of the stock of other new Joint Stock Companies advanced as much as yours has?—The price of the Joint Stock Bank in Liverpool has advanced nearly in the same proportion, it has advanced as fast and very much in the same way as to time and rate of advance that ours has; they have only 10*l.* per share paid up, and the premium upon theirs has been varying from 35*s.* to 40*s.* upon 10*l.*; but then they have been less time in operation: they have now made a call for another 5*l.*, and we suppose that the price of the shares of the two institutions will speedily approximate. With respect to the price of the stock of other Joint Stock Banks, I should say that we do not know what it is, because those Banks, the character of which is not known, and the capital of which is matter of conjecture, and which have made no reports of their proceedings, the Public would hesitate so much to buy their stock, that I am not aware of any distinct price for their stock, excepting the two I have named; and the Huddersfield Bank, which is also a very sound and well adapted Bank for the place where it is situated. I am not aware that there is any distinct price that can be quoted for the stock of other Banks in our neighbourhood.

4267. What dividends have you paid upon your capital?—Six per cent. we paid last year, and made a full report and disclosure of the funds out of which it was paid.

4268. Do you publish periodically the amount of bullion and cash in your possession?—We do not, because we have no occasion to state anything about bullion; we put Bank notes and cash in one lump, as the same thing: we state the amount of our funds, and the profits on the business done.

4269. Do you state the balance of cash in hand?—We merely state the result of the year's business, but not the balance of the cash in hand.

4270. Do you give the details of your assets at the time you publish the account of your transactions?—We state the sum total of our assets; we do not state what it consists of.

4271. Under what heads do you class that?—We merely state the total amount of capital, the total amount gained by the business of the year, and the total amount of surplus fund, or the sum previously gained and not divided; we state how much we have gained and not divided, and how much we have gained and divided.

4272. In what manner do you estimate the result of each year's transactions?—That is a question I cannot so well answer as a gentleman who will come after me, and who is one of the Auditors of Accounts.

4273. In the estimation of your profits, do you make any allowance for possible bad debts?—With the permission of the Committee, I will refer all the questions respecting the state of the Accounts to the Witness that will come after me.

4274. What do you consider to be the difference between Banks of issue and the Banks of Lancashire?—I consider that there has been a distinction without any corresponding difference made between the business of Bank issues in Lancashire consisting of bills payable at a future date, and the Bank issues in other parts consisting of cash notes; in both cases the issues are to afford the means of circulating the credits of Bankers, in exchange for other credits that would not so freely or conveniently circulate. Hence, the whole question turns upon what credits it is proper to allow to be circulated, as the best instrument for conducting the business of the nation, both public and private. In deciding this question, security to the Public, and steadiness of value as a purchasing power, should be had in view above all other things. We are of opinion that those objects would be

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more effectually attained by placing the business of banking on a footing of competition upon equal terms among the parties engaged in the business as public Banking Companies. To issue cash notes is not coining money any more than it is to issue bills at a short date, both kinds of issues being in fact nothing more or less than circulating credits. As this circulation of credits is a necessary instrument for conducting the business of the nation, it would seem hard that the Public should not be at liberty to provide for themselves the kind of instrument of credit most likely to serve their purposes best. The notes of the Bank of England have been proved to be a most dangerous and unsuitable instrument for conducting the business of the country; it is contended that at least an experiment should be made as to the possibility of providing a better one without the interference of that Company. There seems this sort of fallacy prevailing about this business of Banks of issue: The Banks in Lancashire are certainly not enabled to issue notes payable on demand, without running the hazard of inundating the country with unsafe notes, by setting an example which might be followed by others, and therefore they do not supply the community with the best sort of paper as a circulating credit. The distinction of saying that they are not Banks of issue that merely issue bills, whilst those whose notes are payable on demand are Banks of issue, is most certainly a distinction without a sufficient difference so to characterize them. When a merchant goes to a Banker for an advance, what he requires is merely an exchange of credits; the merchant takes 1,000*l.* to his Banker, and the Banker gives him ten hundred pounds in bills, which he issues payable at 30 days, or 60 days, or on demand; and the reason why the exchange of credit takes place is, that the Banker's credit will circulate better than the merchants credit would circulate. It is more convenient that the Banker's credit should circulate in small sums as well as in large sums, and it is more convenient and more safe that it should circulate in paper payable on demand than in paper payable at a distance of time; and it is more advantageous to the Public to take paper payable on demand, and to allow the Banker to get his remuneration in the interest, which the holder of the note is willing to lose, than it is for him to take a bill payable at a distance of time, and to pay a commission, the commission being always a certain expense, while the expense of the interest is under the control of the receiver himself. Hence, under all circumstances, our system of banking in Lancashire is very bad, but it is only not so bad as a system which is less safe.

4275. Are not these opinions rather the result of a theoretical view of your own than of any practical inconvenience that has been sustained in the country by the present circulation?—I think not; the subject has been duly weighed; and I am not so much giving to the Committee any opinion of my own, or any profound theory that I have been devising, as stating a practical evil that we sustain. We all think the Banker's commission is an evil; if it could be done without, it would be so much saved; and we think the merchants ought to be allowed to devise the best instrument for conducting the trade of the country which they can invent.

4276. What in your opinion is the difference between Bankers' bills of exchange and mercantile bills of exchange?—The difference is this, a Banker's bill of exchange is essentially in its nature the same thing as a Bank note payable on demand, but it is less secure than a Bank note payable on demand, because when the Banker issues his bill of exchange payable at a distance of time, if he is not safe there is greater hazard in taking it than there is in taking one payable to-morrow. The issue of a bill of exchange by a Banker is not a proof of any transaction in trade, it is a mere exchange of credits; the Banker creates and puts out a piece of paper that will circulate against one that will not circulate; the Banker's bill of exchange will circulate, because it has the name or stamp of the Banker upon it; and the difference is therefore clear between the bill of exchange, which the Banker creates entirely upon himself, and those other bills of exchange which are created by the customers of the Bank, and which are the real types of the quantity of trade done upon credit, whilst the credit that circulates is the quantity that the Banker chooses to send out of either sort.

4277. Is it not the case that a bill of exchange is the representative of a real transaction of buying and selling?—It is in the one case that I have just described, and in the other it is not.

4278. Does not that bill which is the symbol of a real transaction find its way into the shop of the Banker, and is it not there converted into a bill drawn by the Banker upon his correspondent in London, or else is it not discounted by the Banker and reissued again, forming a remittance for those who desire to make a remittance

remittance to London?—It is not, in the language of the question, taken to the Banker's and there converted; there is no conversion at all, it is simply an exchange of credit; the Banker puts out his own paper that will circulate for other paper that will not circulate.

4279. Do not you discount a bill of exchange, and does it not thereby form the means of remittance, the same as a Bank note would do, or any other negotiable security?—I admit that a bill of exchange being brought to a Banker he discounts it, and gives something in exchange for it; he puts it in his drawer, and it ought to lie there till it is due.

4280. Do the bills you take lie in your drawer till they are due?—Sometimes they do, and sometimes they do not.

4281. When they do not, you send them to London for discount?—We discount a certain portion of the bills that come to us across the counter; we give a customer the money for those bills, and then put them into the drawer. Another portion of the bills that we take, we put to the credit of the individual. In both cases we gather the bills; then, if we find it necessary to procure more cash than our own capital, we send a portion of those bills to discount, either to London, or to Lancaster, or to Liverpool, or wherever cash is to be had.

4282. Then do you not perceive that of the transactions you have described the foundation is, or ought to be, by bills of exchange drawn for real transactions?—All bills of exchange that a Banker takes ought to be drawn for real transactions; those that he gives out, seldom are.

4283. Does not this form a material distinction between circulating paper of that description, and circulating what you call credit, which is the Bank note of the Banker?—I do not see that any distinction can be made, excepting in the case of a Banker being unable to furnish as much cash, or as much of his credits that circulate, as will serve his purposes; if he falls short of cash to continue his discount operations, he is obliged in fact to do the same as his customer does to him, he is obliged to take part of his bills and go to another Banker and exchange credits again, he never goes into the market to exchange it for real transactions; but if he is obliged to go into the market sometimes, he reissues part of the bills he has taken in lieu of circulating more of his own credit; but commonly when he falls short of funds, as coming from his own capital, he sends to discount bills received from his customers, and then he substantially makes the broker the same agent or Banker with respect to him that he himself was with respect to the merchant that brought him the bill.

4284. May not the origin of a bill of exchange and a Bank note be quite different; may not a Bank note arise from accommodation and credit given to your customers without any transaction whatever of merchandize?—It is notorious, and it is a mighty evil, that not only Bank notes, but Bankers' bills, frequently go out against injudicious credits, and foster and support injudicious speculations; that they do in point of fact go out without being always in exchange for a bill in return or anything that is payable in a certain amount of specie; but they go out sometimes against mortgages and sometimes against open credits, and whenever they go out injudiciously the Banker is so far vitiating the currency.

4285. With respect to bills of exchange which form a portion of the circulation, and Bank notes which form another part of the circulation, may they not be, and are they not in point of fact, totally different in their nature and in their origin?—A Banker's bill and a Bank cash note are not different in their origin, because they both issue from the Banker; they are different in their nature in the manner I have already explained, the one being payable on demand is more secure than the other, and the one being in smaller amounts is more convenient than the other; but the difference is as I now state, and as I have several times endeavoured to describe it.

4286. Are the Committee to understand that it is your opinion that the circulation of Lancashire would be improved by an issue of secure country paper?—Certainly. I mean to state that a secure kind of paper might be issued in large amount with gold. I think it would be a great improvement, provided gold went with it.

4287. Do you believe that that is the general opinion of the merchants and manufacturers in Lancashire?—Their general opinion upon subjects of this sort is hardly to be collected, because the lower order of tradesmen do not profoundly think upon the subject; the opinion of all enlightened men that I have consulted is, with very few exceptions (and those exceptions may easily be accounted for from

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the natural bias which interest and favour of another system may lead to) that such a change would be a great improvement.

4288. Has there been any publicly expressed opinion that would lead you to that conclusion?—There has not.

4289. Have not all the public expressions of opinion been directly the other way?—The public meeting which was held about three years ago was directly the other way, but then the expression of opinion, at that time even, was quite consistent with what I have now stated, namely, that because the country would be inundated with insecure paper, therefore they held on upon the present system, rather than resort to one so bad.

4290. Would the Public, in your opinion, obtain equal facility and equal security in banking, if the business was thrown open to competition, and made quite free?—I consider that if the business was thrown open to competition, the Public would be greatly benefited by it, provided this principle was adhered to in the law, namely, that Bankers are always sufficiently powerful and cunning to devise means for their protection, and for securing profit upon their capital, without requiring the support of any monopoly or exclusive privileges whatsoever. But the Public are not sufficiently upon the alert, and not sufficiently able to guard against the undue influence of a Bank pushing into circulation objectionable paper, both as it regards the quantity and as it regards the security; therefore restrictions should apply here in contradiction to the general principles of free trade, which are perfectly sound as regards manufactures; but as this is not a coinage nor a manufacture, but a circulation of credit, restrictions ought to apply so that that credit shall not be injuriously used against the Public.

4291. Then it is your opinion that a perfectly free trade in Banking would be disadvantageous?—Absolutely free, I think would be dangerous, in this way. We must, to secure a sound system, have it rested upon a metallic basis. I think that if that system be such as we have given an outline of, or something approaching to it, then the aggregate amount of gold that the Banks so constituted would find it necessary for their own protection to keep as the basis of their circulation, would render the total circulation increased in numerical amount, and at the same time much more secure, because every one would keep enough specie in his possession to prevent a depreciation of his notes; or if they should happen to depreciate, they would only depreciate as compared with his neighbours, and it would not be a general depreciation. I believe that the metallic basis of our circulation being distributed among 100 Banks, or any large number of Banks placed in different parts of the kingdom so as that they could not meet together, as they might do were they all in London, and devise some systematic plan of action, if they were each of them conducted by intelligent merchants, constituting Banks in various parts of the kingdom, and always acting upon the plan of getting a good profit upon an adequate capital; I think that under those circumstances we should be enabled to have a sound currency so far as regards the circulation of paper, and a very much greater aggregate amount of gold than we could possibly have if that gold was concentrated under the control of one body, whatever body that might be.

4292. Would the restrictions you propose include the restriction which now exists under the Bank monopoly?—I see no objection to the Bank of England being one of those Joint Stock Banks provided it was subject to the same restrictions in all respects, and possessing the same privileges. There certainly is this much to be said, that from the vast capital of the Bank of England, and from its unlimited credit, it would be some little time before those institutions could get themselves established, and get into operation, so as to displace the notes of the Bank of England; and so far it would be right, because it would prevent a very sudden change; but I think it is most likely that ultimately the system would be changed, and that the great Mother Bank would gradually dwindle down, so that it would not be made profitable to use its vast capital in banking, and that the others would grow up. But another circumstance connected with the Bank of England would render it a less formidable rival than might be supposed from its capital and unlimited credit, namely, that the Bank of England is, as the Bank of the Government, obliged to issue a large amount against a sort of security which does not return to it in the ordinary way that commercial paper returns; inasmuch as the Bank of England therefore is hampered with the necessity of issuing seven or eight millions a quarter, and which it cannot be certain of getting back, excepting as it flows in from the Treasury, or as they pick it up by the sale of stock, other Banks would have an advantage in furnishing the commerce of the country.

4293. In

4293. In your opinion, has the Bank of England saved the country from danger in times of panic, by its liberal advances beyond what could have been made by Banks of a smaller capital?—Certainly not; I think the Bank, so far from having saved the country from the effects of those panics, has been the cause of those panics; and that they have been the cause of a constant succession of little panics continually annoying the commerce of the country by monthly and weekly fluctuations, by putting out paper which is necessarily put out as a dividend upon the public debts, and then by drawing it in, not in the regular and rational way in which it ought to be drawn in, namely, by paying bills discounted, but by drawing it in in a forced manner, and selling securities at an under rate.

4294. Do you mean that the manner of issuing and withdrawing the Bank of England paper produces that sort of successive fluctuations at short periods which have the effect upon the prices in the markets, and thereby affect trade?—Certainly; if our circulation did not vary in amount, so as to affect prices, nobody would trouble himself much about this question; but it does affect our prices, it does affect our daily transactions as merchants and manufacturers; and in consequence of feeling this, and feeling these continued fluctuations have occasioned great changes in the prosperity of trade, which were in nowise connected with the real circumstances that ought to produce either briskness or dulness, namely, an increased or diminished amount of demand. I endeavoured to obtain some light upon this subject, which we all of us feel more than we know the reasons of, but in getting some Returns which relate to the weekly issues of the Bank of England, I find that my theory is no longer a theory; but it is a lamentable fact that those issues sometimes in a single week vary three or four millions. I do not say that the Bank is not necessitated to do this, but the necessity of doing this is the necessity of inflicting a great evil upon the country; and the Returns abundantly bear me out in that proposition.

4295. What are the Returns to which you allude?—The Returns of the Weekly Issues from the 28th of December 1819, for about six years, say February 4th, 1826; and to these I refer as proving the correctness of the opinion I have just expressed.

4296. When a Government like ours has during the quarter to collect the revenue, and at the end of the quarter to make large payments for dividends upon the public funds, must there not of necessity be a fluctuation in the amount of the notes issued, and is not that independent of the existence of a body like the Bank of England?—The fluctuations which take place from the necessity of paying the public revenue through the Bank of England or any other office would certainly be likely, in some respects, to affect the aggregate amount at different periods of credit in circulation.

4297. Are you aware that the Bank has taken measures in some degree to equalize their issues, by making advances upon dividends before they become due, during the current quarter?—I am not aware of the particular principle upon which the Bank conducts its business, nor have I the means of ascertaining any minute particulars by which I should be made acquainted with that principle; I merely look to the effects, and endeavour to find out what they are. I mean to say that the Bank, circumstanced as it is, cannot prevent doing a great injury, by being the instrument of causing this influx and efflux of paper; the dividends take place quarterly, and I can understand therefore why there should be a large amount of payment at those particular periods; but I cannot understand why there should be fluctuations weekly to the amount I see here, unless it be upon some principle that is incomprehensible altogether, or else it is merely to get profit.

4298. Are you aware that it is a principle of the Bank of England, when bullion is carried to it for sale, invariably to make a purchase of it, and may not this account for the sudden fluctuations of the issues?—I should think that any one of the Directors of the Bank of England, personally conversant with their affairs, might give accurate information upon that subject; but I do not know how they manage their business.

4299. Supposing this to be the principle upon which the Bank regulates its issues for bullion, in what respect does this fluctuation, from the issue of notes in the purchase of bullion, differ from the fluctuation that would take place in the currency; supposing the Mint had bullion to the same amount taken to it, in order to be coined, would not that taking the bullion to be coined occasion similar fluctuations in the amount, even of a metallic currency?—If there are any specific instances in which the issue of two millions more in one week than was issued in the last week, was to be accounted for by its being shown that the Bank had

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upon that particular occasion two millions more of gold, I should say that was fairly accounted for, and that that gold might be assumed to be a part of the circulation as soon as it was coined.

4300. Would not a like fluctuation in the amount of currency take place, even although it were a metallic currency, and there were no body like the Bank of England to issue their notes in exchange for the gold taken to it?—If there was nothing but a metallic currency, then the total amount that was from time to time brought into the country and sent to the Mint to be coined, would add so much to the sum total, and so far depreciate the value of the individual parts of it, and *vice versa* as to the exportation, and this importation and exportation would effect the same thing, whether it went through the hands of 100 importers or one.

4301. Therefore even if it were a purely metallic currency, would you not expect the same kind of fluctuation which you now experience in a scarcity of money, and a rise or fall of discounts, which now takes place under the present system?—Certainly not; because if we imported two millions of gold, and had them coined this week, I should think it very odd if they were exported the next week; and that must be the supposition, because I have referred to fluctuations both up and down.

4302. (*To Mr. Smith.*) What situation do you hold in the Bank of Manchester?—I am one of the Directors.

4303. Have you the superintendence specially of any particular branch of the transactions of the Bank?—No.

4304. Are you acquainted with the manner in which the annual Accounts are made up for the inspection of the proprietors?—Yes. A debtor and creditor Account is taken out; on one side is put the capital of the Bank, the sums owing by the Bank on lodgement accounts, and on accounts current; and on the other side of the Account is put the debts owing to the Bank, the assets on hand, consisting of bills and cash, and different kinds of securities we hold; and the balance of those two sides of the Account constitutes the profit or loss.

4305. Do you state the particulars of the assets in hand?—Yes.

4306. Under what heads?—The result of the Account is put down under the heads, debts due from debtors to the Bank, bills and cash in hand, and different assets which the Bank may hold, stock, or anything of that kind.

4307. Do you state all those items separately?—Under different heads.

4308. Do you distinguish the different kinds of assets, in giving an account to the proprietors?—No, we do not.

4309. Do you make any allowance for possible bad debts, in the estimation of your profits?—Yes.

4310. In what manner do you make your calculation?—The profits of the first year of the Bank were not divided, but were carried to a fund called the Reserved Surplus Fund, and that fund was to provide for any unforeseen losses and bad debts; the bad debts therefore are carried to the Reserved Surplus Fund.

4311. During the last period for which you made up the Account, did you proceed in the same manner, or did you make any allowance for bad debts?—It was made in that way, the Reserved Surplus Fund is set against the bad debts.

4312. Have you a guarantee fund?—The Reserved Surplus Fund is the guarantee fund.

4313. To what did that extend?—The surplus fund was more than sufficient to cover any losses that the Bank had sustained.

4314. Have you made no estimate of the probable losses which you might incur upon the various assets for which you take credit?—There were nothing but absolute bad debts that were taken.

4315. Deducting what you estimate the amount of bad debts, did you divide the whole balance of profit remaining?—No; after paying a dividend of six per cent, there was a surplus, which was carried to the Reserved Fund.

4316. Did the amount of the bad debts during the previous year, form the basis of your calculation of bad debts to be incurred during the present year?—I cannot say that I precisely understand the question.

4317. If the surplus fund which was laid aside from the first year's profits was sufficient to cover the bad debts for that year, do you calculate that that surplus fund is to continue to meet the amount of bad debts that you may have in subsequent years?—Yes, if sufficiently supported.

4318. Would it be adequate to meet the amount of bad debts, however long the period may be during which those bad debts may be incurred?—That it is impossible

impossible to tell; it has hitherto done so, and will, if maintained by adequate annual additions.

4319. How long has the Bank conducted its business?—The Accounts have been made up these two years, and the Accounts are to be made up ending the 30th of June last; they are not yet completed.

4320. Then you mean to say that the surplus fund of the first year was adequate to meet the bad debts of the second year?—Yes.

4321. Do you expect that the interest of the surplus fund will be adequate to meet the bad debts?—I expect it will; because the reasons for establishing that fund will induce the Directors to maintain it by periodical additions to it from the profits of the Bank.

4322. Has the surplus fund hitherto been diminished in amount by bad debts?—No.

4323. In the statement you make out for the proprietors, do you state the loans of money that have been issued to the proprietors of the Bank?—We do not.

4324. Can you state whether the amount of loans issued to the proprietors of the Bank bears any large proportion to the amount of shares in the Bank held by the proprietors?—I am not able to state that; I can state this much, that the number of customers the Bank has consists of a larger proportion of persons who are not interested in the Bank.

4325. Is there any rule in your Bank by which the proprietors of that Bank are obliged to keep their private accounts with the Bank itself?—No, we do not oblige any one to keep an account with us because they are proprietors.

4326. Upon the occasion when at a day's notice you wished to have 20,000*l.* on discounts from the Branch Bank of England to meet a demand on the following day, were you compelled to make any demand upon the proprietors for the purpose of making good that 20,000*l.*?—None whatever, we merely had to get the money elsewhere.

4327. Have you a copy of the Statement which you render annually to the proprietors?—I have not, we merely state the result of the balance sheet.

4328. Is it divided into items?—No.

4329. Have you any objection to put in that Statement?—None whatever; *See Paper No. 19.* I will send the Bank Reports up to the Committee.

4330. In making up your Account, do you make any estimate of how much per cent it would take to insure you against bad debts and other losses?—We have made no such estimate.

4331. Supposing a law to be enacted, removing the existing restrictions on Joint Stock Banks, and enabling them to issue notes on demand, payable in London or elsewhere, and to issue drafts for any sum, would there in your opinion be any objection to the renewal of the Bank of England Charter?—I consider that there are the greatest objections to the renewal of the Charter of the Bank of England, with any exclusive privileges whatever; the evils so long experienced and still in operation, resulting from the control of the currency by the Bank of England are sufficient evidence of the impolicy of continuing any exclusive privilege to that or any other Company.

4332. What are the evils or inconveniences which you consider to have resulted from the exclusive privileges granted to the Bank of England?—The origin of those evils was, that to secure to the Bank of England the uncontrolled exercise of its powers over our monetary system, all other Banking Companies were rendered weak and insecure from the limitation of the partners to six. The possession of this power has enabled them to expand and contract their circulation at will, and thus give to our currency a fluctuating instead of a steady character, their operations being not only uncontrolled, but conducted with a secrecy which even the Bank proprietors themselves are not allowed to penetrate. Their influence over the private Banks has necessarily been irresistible, and they have in fact (perhaps unconsciously) been rendered the mere agents or satellites of the Bank of England; hence (though the Bank of England has not been the only Bank in the country) the real controlling power over our currency has been solely vested in the Directors of the Bank of England, a power over the property of the Kingdom far exceeding the power vested in any government.

4333. Have not those evils which you allude to as arising from the limitation of the number of partners, been counteracted by the Act of the 7th of George IV, authorizing the establishment of Joint Stock Banks?—I think not, for, when in 1826 the evils of weak Banks had become intolerable by the failure of about one-

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sixth out of their number, and the Bank of England consented to relax their privileges so far as to allow extended partnerships and the establishment of Joint Stock Banks, the Directors took care, in exchange for this concession, to obtain the power of establishing Branch Banks (conducted on the same principles of secrecy as the parent Bank;) which was in fact a virtual extension of the power and monopoly of the Bank of England, whilst the permission to establish Joint Stock Banks was accompanied with such restrictions as greatly to discourage their formation.

4334. Are you of the same opinion as Mr. Dyer, with regard to the regulations upon which Joint Stock Banks should be established?—I think something analogous to the plan which has been agreed upon by the Bank of Manchester and the Bank of Liverpool, and which has been put in by Mr. Dyer, is desirable.

4335. Supposing the establishment of Joint Stock Banks were freely permitted by law, would the commercial interests of the country be as effectually promoted, and would merchants possess equal facilities of obtaining discounts as at present?—I think there can be no doubt of that; the Bank of England in fact transacts a very small portion of the commercial business of the country, probably not more than one-tenth of their issues are upon discounts of commercial paper. I was exceedingly struck, lately meeting with the official Statement of the Bank of the United States, to see the difference between the disposal of the capital and circulation of that Bank, and that of the Bank of England. According to this official statement, which is dated the 1st of April 1830, it appears that the capital of the Bank of the United States was 35 millions of dollars, and their notes in circulation were 16 millions of dollars, making a total of 51 millions; this was partly disposed of in the discounting of notes 32,000,000, and in discount of domestic bills 10½ millions, making a total of 42½ millions employed in commercial objects. The Bank of England do not favour the world with any statement of their affairs, and of course we must merely guess at the state of their concerns. Compared with that of the Bank of the United States, perhaps the following may be something like a correct guess, to take the capital of the Bank of England at 14½ millions, and the amount of its notes in circulation at 19½ millions, making a total of capital and circulation 34,000,000; now of those 34,000,000, probably not more than two or three millions are issued on commercial discounts, the remainder of this immense sum being employed in loans and accommodations to the Government.

4336. What quantity of the stock subscribed by the Bank of the United States is lent to the Government of the United States?—I have not got the particulars of that.

4337. Do you include in that 34 millions of the Bank of England, the loans made to the Government?—This 34 millions of pounds consists of the amount of Bank of England capital, and the amount of its circulation in notes.

4338. Why should you, in giving such an account, mix together the notes issued by the Bank and the capital?—I wish to show what the Bank of the United States does with its capital and circulation, and also what the Bank of England does with its capital and circulation, and thereby establish that the former is much better adapted to promote commerce than the latter.

4339. Do you consider the notes a part of the capital of the Bank?—They are not a part of its capital, they are its circulating credit.

4340. Do you put them together as things of the same description, the capital stock lent by the Bank of England to the Public and its circulating notes?—My object in making this statement was to show, in answer to the question, “Supposing the establishment of Joint Stock Banks were freely permitted by law, “would the commercial interests of the country be as effectually promoted, and “would merchants possess equal facilities of obtaining discounts as at present?” that the Bank of England issues so small a sum on commercial discounts, that there would be no more difficulty in merchants getting discounts, supposing Joint Stock Banks were established, and supposing the Bank of England were withdrawn, than there is at present.

4341. The Bank of England has lent to the Government 14 millions, for which it receives an annuity of about three per cent; is not the real circulating capital of the Bank therefore reduced to 20 millions instead of 34 millions?—If the Bank has lent to Government its capital, it can have no circulating capital, but it has a circulating credit according to the amount of its circulation.

4342. Under those circumstances, then, looking to the great difference between the mode in which the capital of the Bank of England and that of the United States are

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are employed, can you draw any satisfactory conclusion from the comparison you have established?—The conclusion I draw from the comparison is, that the Bank of the United States employs the major part of its capital in the legitimate objects of Banking, *viz.* advances to the commercial and trading community, whilst the Bank of England employs the major part of its capital and circulation too, in advances to the Government. As far as my recollection goes, the sum owing by the Government of the United States Bank at the period I have referred to, was about 11 millions dollars.

4343. Are the Committee to understand that all you mean to establish by this comparison is, that the Bank of the United States employs more of its capital in discounting commercial bills than the Bank of England does?—That is not all, as before stated.

4344. And from that do you draw the conclusion that a number of Joint Stock Banks in this country would, without any such institution in existence as the Bank of England, afford to the country all the advantages that the Bank of England does?—Certainly, and much greater advantages.

4345. Do you mean to infer from that that the Joint Stock Banks are to be considered as quite similar to the Bank of the United States?—Yes, the same in principle; and what I mean to say is, that if there were only Joint Stock Banks there would be no more difficulty in getting discounts than there is at present.

4346. Supposing 19,000,000*l.* were the circulation of the Bank of England, and that that was sufficient for the demand, do you think there would be any difference in the accommodation to the merchants, whether they had to apply to private Bankers, in whose hands the circulation was, or whether they were under the necessity of going to get Bank notes in discount from the Bank of England; if you were a merchant, which would you prefer?—It would be a matter of indifference.

4347. The object of the Bank of England being to employ the amount of its liabilities, consisting of deposits and what it receives for the notes it issues at interest, it is at liberty to put it out at interest by the purchase of Government or other securities, or by discounting commercial bills; wherein consists the difference to the merchants, whether the private Bankers or the Bank hold the negotiable securities, such as exchequer bills and stock, or whether the Bank of England or private Bankers employ the Bank notes in the discounting of commercial bills?—I do not distinctly understand the bearings of this question. If it is meant to inquire whether there be any difference in the manner in which the Bank of England makes its issues, I answer, there is; that when the Bank of England issues on commercial discounts, it issues from a demand connected with trade; if on exchequer bills, on a demand distinct from and injurious to trade. If it be meant to ask what difference to the merchant there can be between public securities being held by the Bank or by private individuals, I reply that the holding of them by the Bank may be by a new and increased issue of its notes, which will swell the circulation, whilst the merchant can only hold them in exchange for notes already in circulation, or for some other property not affecting the circulation.

4348. Supposing the Bank of England employs a certain amount of its notes in the discount of mercantile bills, or that private Bankers employ the same amount in discounting mercantile bills, would it make any difference to the merchants whether those bills are discounted by the Bank of England or by private Bankers, if in each case the same amount of notes is employed?—It makes no difference in that particular transaction.

4349. Supposing the Bank of England employs a certain proportion of its notes in the purchase of exchequer bills, and the rest in the discount of mercantile bills; if the amount that it employs in the discount of mercantile bills is the same that a private Banker would employ, does it make any difference?—When the Bank of England employs money in mercantile transactions, it is called for by the wants of the Public, but when it employs it in the purchase of exchequer bills or in Government loans it is not called for, and in that respect the commercial Public sustain an injury by having notes put into circulation which are not wanted.

4350. If the amount which the private Bankers now have in the discount of commercial bills was transferred to the Bank of England, would that make any difference as to the facility for discounting bills?—I think it would probably make a difference as to the facility of discounting bills, and it would certainly make an important difference as to the effect of the circulation upon the market.

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4351. Whatever amount the Bank of England employs at interest in exchequer bills, does it not issue a like amount of Bank of England notes in order to purchase those exchequer bills?—I suppose it does.

4352. Do not the private Bankers employ the Bank of England notes so issued in a great proportion in discounting mercantile bills?—I suppose they do.

4353. Do you mean to say that you think one of the main objects of the Bank of England should be to give accommodation to the mercantile interests of the community?—Precisely so.

4354. And you think the Bank of England gives very little accommodation to those interests?—Yes.

4355. You think that that accommodation would be readily supplied by other establishments?—Yes.

4356. And you think that a Bank that employs a great part of its capital in loans to Government is an establishment of little public utility?—Precisely so.

4357. Would a Bank that issued its own notes be able to give more accommodation to trade than a Bank that uses the notes of another Bank?—No doubt of that, because it would be dependent on that other for its own supply of notes.

4358. Would the profit of a Banker issuing notes, which he would make by issuing notes, enable him to give more accommodation to trade than a private Banker not issuing notes?—Yes.

4359. Is it not in that way that the Scotch Banks are able to deal so liberally with regard to cash credits and to deposits as they now do?—No doubt of it.

4360. Is it possible for Banks in England, whether Joint Stock Banks in the country or private Banks in London, to give to trade the same degree of accommodation that is given by Banks in Scotland, without issuing their own notes?—No.

4361. Is there any complaint that the Banks in Lancashire which do not issue their own notes, do not give ample accommodation to their customers?—The Banks in Lancashire, though they do not issue their own notes, issue a description of paper which is tantamount to it, they issue drafts upon their agents in London, which they circulate at different dates up to three months; these furnish the Banks with the means of lending to their customers in the same way as the Scotch Banks furnish their customers with notes. It is a circulation of the credit of the Bankers for the accommodation of the customers.

4362. Is it not the fact that those drafts do not form a large part of the circulation?—They do not form so large a portion of the circulation now as they did some years ago.

4363. Is not the diminution of the circulation of bills of exchange, and the substitution of the circulation of the Bank of England notes, an advantage to the trading community of Lancashire?—I think it is an advantage, inasmuch as it renders the circulation much more secure; but it subjects the Bankers to a dependence on the Bank of England.

4364. Was there a great extent of those bills issued in 1825?—An immense extent.

4365. Though not now made use of to much extent, are they not made use of in times of speculation and over-trading?—It is a common thing when a customer applies to them for advances, to give him their draft upon London at three months' date, and the customer provides the Banker with cash to meet that draft against the time it becomes due; that has been the common method of making advances to customers by Lancashire Banks.

4366. Have you known considerable speculations founded upon that sort of accommodation?—I have known merchants who have had accommodations in this kind of way to a very large amount.

4367. What use do they make of those accommodations?—They used those accommodations to make purchases of manufactures and raw materials, to build cotton mills, and to increase manufacturing concerns.

4368. Were they issued to that extent as to admit of the building of large mills, and things of that kind?—In the year 1824, and the early part of 1825, many of the Lancashire Banks offered the strongest inducements to people to borrow money of them, it was so plentiful; and this led to the building of mills, and the increasing of manufactures to an amazing extent. We are now labouring under the effects of that pernicious system; mills and manufactories have been established, which ought not to have been established; they were established, not because there was an increased demand for their produce, but because the parties were doing well,

well, and having an opportunity of borrowing money, thought that they would do better by increasing their manufacture.

4369. Do you think the Bankers would have been less inclined to make these advances at the period you refer to, if they had issued their own paper in cash notes?—I think they would, because if they had issued them in cash notes, they would have been liable to pay those notes on demand; but by issuing bills at three months' date, the payment was deferred.

4370. Are you speaking of loans upon the personal security of the borrower, or upon the discount of bills lodged by the borrower?—I am speaking of loans made upon personal security, and in many cases on the security of the mills that were built with the money so lent.

4371. Then in point of fact, though there was no Bank issuing notes in Lancashire during 1825, there was as much mischief done by an enlarged currency of paper as in other parts of England where notes were issued?—I think there was.

4372. And it would appear from what you have said, that you think there was more?—Yes, I think there was more.

4373. How do you reconcile that with your former answer, that Banks that do not issue their own notes furnish less accommodation and discount to the Commercial world than Banks that do?—Banks that do not issue their own notes, nor drafts upon themselves in London, cannot afford the same accommodation to the Public as Banks that do issue notes; but as I have already stated, the Banks in Lancashire issue notes in another form; they issue bills of exchange at three months' date, instead of issuing them on demand.

4374. Are not those issues on bills of exchange not issues that take place in the ordinary conduct of the business of banking, but issues on extraordinary occasions when there is a spirit of over-trading?—They were lent in a larger quantity at that period than they were before or since; but it is a common way of making advances to their customers by the Lancashire Banks.

4375. Then it may happen that at particular periods there may be a great excess of accommodation, while on a general average the accommodation by those Banks is less than it would be by Banks issuing their own notes?—My idea is, that the accommodation would be less with notes payable on demand than it would be by bills payable after date.

4376. Does your answer apply to the periods only of over-trading, or does it apply to the ordinary course of banking business?—I think to both.

4377. Do you think that at the present as much accommodation is given to trade in Lancashire as there would be if the Banks issued their own cash notes?—I think not now, because, as I observed before, that description of paper does not circulate so much now as formerly; I think since the establishment of the Bank of Manchester the issue of that kind of paper has been very much diminished.

4378. Do you attribute that diminution to the establishment of the Bank of Manchester, or to the establishment of the Branch Bank of England, which occurred previously?—I attribute it in a great measure to the establishment of the Bank of Manchester, because the Bank of Manchester, from the beginning, discouraged that kind of circulation.

4379. Do you think any person at Manchester, during the period of over-trading you have alluded to, could have ventured to build a manufactory upon the credit given to him by his Banker at three months' date?—I know that many persons built mills by means of accommodation from their Bankers, and that that accommodation was given in bills, and the parties from time to time met those bills, as they became due, in cash. In some cases the Bankers were willing, in addition to the sums lent in bills, to lend a sum as a dead loan upon a mortgage of the building.

4380. From what source could the builder of the manufactory, which would take at least a twelvemonth to accomplish, meet the demand of the Banker, for the reimbursement of the bills which he had advanced to him; would he remain in dead advance?—He would remain in dead advance in some cases.

4381. Then that is a loan upon mortgage?—Yes.

4382. Which perhaps the Banker would equally have given to him without his having furnished any bill at all?—I cannot tell; there would not have been the same inducement to the Banker to have advanced cash as there was to advance his own draft or acceptance.

4383. Do you think that the circumstance of a Banker drawing a bill at three months

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months would make any material difference to him in the inducement to make a loan to a person for the purpose of building a manufactory?—I think it would, because the advance of a bill at three months' date was a payment at a future period, but an advance of cash would have been a distinct sum taken from his disposable capital employed.

4384. If that bill drawn at three months was not met by advances from the party to whom it was lent, would it then be merely an accommodation of three months' credit to the Banker?—At the end of the three months it would become a dead loan, unless the party to whom it was lent furnished the Banker with money to meet it.

4385. Then would the Bankers at Manchester, at the period you have mentioned, have lent their money simply upon the mortgage of a manufactory to be so built?—The Bankers would take a mortgage of the manufactory in case they could get no other security. But it was the immense capital which the Bankers had possession of in consequence of issuing this paper, that furnished them with the means of making advances to manufacturers. It was by the system of keeping large quantities of their own paper afloat that the Bankers felt themselves flush of cash, and it was a strong inducement to them to make use of it in the best way they could, and they made use of it in loans to different parties, some of whom built manufactories, and some made speculations in different commodities.

4386. What is your idea of over-trading?—I call that over-trading where a man builds a manufactory and increases his business, not from any extra demand for the manufactured article, but because he is furnished with the means of increasing the supply of it.

4387. Does he not speculate upon the employment of his mill, before he begins to build it?—He no doubt builds the mill with the expectation that when he makes double the quantity it will be equally profitable with the quantity he has been previously making.

4388. How could you conclude that a person setting out upon the project of building a new mill was over-trading?—When a man, not having money, is induced to build a mill which produces a larger quantity than he can sell, he over-trades. No man possessing capital will build a mill, unless he has a reasonable prospect of disposing of the extra quantity which will be produced by building the mill.

4389. Supposing you were to take the example of Manchester in the aggregate, and looking at the fact, that the mills of Manchester have been gradually upon the increase, and that they have increased within a few years, perhaps two-fold, would you consider that upon the aggregate Manchester has been over-trading?—The increase of mills in Manchester has not been gradual; the increase was very great from 1824 to 1825; and since that period, from 1826 to the present time, there have been very few mills built.

4390. Have not the manufacturers of Manchester increased in an extraordinary degree of late years?—They have.

4391. Would any trading, founded upon such an expectation, be held to be over-trading?—The manufactories increased enormously from the period of the beginning of 1823 to 1825, but since that time they have not increased: the number of mills built since then has been very few; but it was a long time before the mills built in 1824 and 1825 came into operation.

4392. Has not the aggregate manufacture in Manchester increased year after year, for some years past?—It has.

4393. Do you hold that to be a spirit of speculation and over-trading?—The gradual increase of manufactories was no doubt owing to an increased demand; but a sudden increase of manufactories, not arising from any demand, is what I should call over-trading.

4394. What do you consider a spirit of speculation to be at Manchester?—I consider a spirit of speculation to be over-trading.

4395. Supposing you had discovered that there was a deficiency of crops in America of the staple article of cotton, should you consider it a speculation if a spinner put into his warehouse a double supply?—It would be buying it before he wanted it.

4396. Would it not be a correct judgment of the most advantageous way in which he could carry on his business?—It depends upon whether he has the means of buying it; if he lays in a double quantity, and he is obliged to borrow money to pay for it, it is then over-trading.

4397. Is not every operation of trade a speculation?—Strictly speaking, it is.

Jovis, 19^o die Julii, 1832.

THE RIGHT HON. LORD VISCOUNT ALTHORP, IN THE CHAIR.

Joseph Chesborough Dyer, James Burt, and John Benjamin Smith, Esqrs.,
called in; and further Examined.

4398. (*To Mr. Smith*). YOU have stated that great evils have arisen in Lancashire from the large sums lent by Bankers, which led to over-trading in 1824 and 1825; can you state any facts to the Committee to illustrate this?—I will state some facts, by which the Committee will better understand what I mean by over-trading. In 1824, a House possessing some 8 or 10,000*l.* commenced building a large cotton mill; at that time trade was good, and there were great facilities of obtaining discounts and keeping afloat a large amount of accommodation bills; this encouraged them to proceed till they had spent 40,000*l.* to 50,000*l.* in mill and machinery. Considerable surprise was generally expressed at the time, that a House which was thought to have so little, could lay out so much; and it was variously conjectured that they must either have been more wealthy than had been supposed, or that they had partners in the back-ground. Things went on flourishingly with them till the Panic came, when discounts were no longer to be obtained, and their accommodation paper ceased to float. Their failure disclosed the secret, that they had been enabled solely by the facilities of borrowing and kite-flying, to expend so large a sum in building a mill. Another case occurs to me, in which we were creditors: a House, possessing a large mill, encouraged by their Bankers to borrow from them, were induced to increase it to double the size; the Bankers, to secure a part of their advances, took a mortgage of the mill, but for a considerable part held no security whatever. So long as the Bankers by the issue of their own drafts at three months were enabled to keep up a large circulation, and so long as discounts were plentiful, they appeared satisfied with the state of their customer's account, but the moment a scarcity of money began to be felt, peremptory notice was given by the Bankers to pay off the advances; every effort was made by the customer to repay them, but difficulties increased, and after repaying as long as he could, he failed, and the Bankers were fortunate enough, out of a loan of about 25,000*l.*, not to be creditors for more than one-half beyond the sum they had secured to them by the mortgage. I will mention another case, where a man of no capital had a loan of about 8,000*l.* from his Bankers, to build a mill. The Public supposing him to possess property, he was enabled to obtain credit for the machinery and the materials for setting it to work; the Panic, however, brought him to the ground, and the creditors then discovered, to their mortification, that the Bankers, who by their loan had been the means of deluding them, were the only creditors who were secured; they had got a mortgage of the mill after it was built. I could mention many more cases within my own knowledge, in which I was a sufferer by such delusions in common with many others. Such facts are notorious in Lancashire; and the extent to which the system was carried is almost incredible. I think they sufficiently illustrate the over-trading caused by such a redundancy of circulation as existed in 1824 and 1825. But it is important to observe the system by which Bankers in Lancashire were enabled to make such large advances to their customers. Every person requiring an advance from his Bankers was expected to make all his payments by his Bankers' drafts at three months' date, and to pay into his Bankers all the cash and promiscuous bills he received; this furnished the Bankers at all times with a large amount of cash and discountable bills, and enabled them to make their advances entirely in their own circulating credit, namely, their own drafts; so that large sums were lent by Bankers without the advance of one shilling of real capital. And yet, strange to say, because such Banks do not issue notes payable on demand, they are not called Banks of issue. If the consequences of this over-trading had only been the ruin of the parties engaged in it, the evils would have long since ceased, but the injury extended to all others engaged in the same trade who had not over-traded, but whose property was thereby depreciated in value; and so extensive was the mischief, that the trade of

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Lancashire could not for a long time recover from its effects; and it is doubtful if it has ever yet done so.

If the increase in manufactures had been naturally caused by the investment of real capital, the production would have been gradual and profitable, but, being prematurely forced, it kept constantly ahead of the demand. The fall in prices and wages of labour induced from time to time an increased demand, but not sufficient to absorb the increased production. Although the supply has been sometimes checked by mills being shut up, or working only short time, or stopped in consequence of combinations and quarrels with the workmen about reduction of wages, it has exceeded the demand; and under this long course of unprofitable trade the resources of the spinners and manufacturers have been gradually wasting away. A friend, complaining of the state of trade, told me he was working his mill to a loss, that, with all his management and economy, he was unable to make both ends meet, and asked my advice as to whether he should shut it up. I replied, that must depend upon the amount of his loss by working it. It appeared, on examination, that if he shut up his mill, his expenses of rent, taxes, interest on capital, and expense of keeping the machinery in order, would amount to about 1,500*l.* per annum, but the loss by working it would be only 500*l.* per annum. I recommended, therefore, that he should continue to work it, on the ground that he would still be a gainer of 1,000*l.* per annum by doing so. "True, (said he) but you cannot fail to see that such gains must shortly bring men to ruin." They have already brought many to ruin; and so recently as between November and February last about forty spinners failed. The consumption of cotton manufactures is no doubt constantly on the increase; and it is not improbable, had not the over-trading of 1824 and 1825 occurred, there might have been as large a production as at present, but it would have been brought about gradually and by successive profitable investments of capital, instead of the immense loss of capital which has been caused by forcing the supply by means of artificial capital.

Such has been the lamentable effects of the over-issues of Bankers in Lancashire; it has entailed ruin on large classes of respectable traders and manufacturers, and much misery on a vast population. The Committee will not therefore be surprised that those who have felt its effects, should take every means to prevent the recurrence of evils so extensive. If Banks had been established in Lancashire on sound principles, issuing their own notes, much of this mischief would have been prevented; for it would have been utterly impossible to have lent to such an enormous extent, without the possession of a large amount of real capital; and sound Banks, looking to their own safety, and kept from such excessive over-issues by the competition of rival Banks, would have been unable, as well as unwilling, to encourage such reckless over-trading.

4399. Were not the Bankers that made those advances, in almost all cases, Bankers possessed of large capital?—Some of them were, unquestionably; there is no doubt that some of the Bankers in Manchester were possessed of large capital.

4400. Supposing a number of Joint Stock Banks to be established, acting independently of each other, are you of opinion that they would be enabled to regulate the currency as effectually as the Bank of England?—I think the Bank of England, if disposed, cannot regulate the currency to suit the public wants of trade and commerce. Being Bankers to the State, its principal issues are distinct from those wants; having no means of getting out their paper than by lending it to Government or buying exchequer bills, it continues to issue without check, till its excessive issues are checked by a demand for gold. I think the Joint Stock Banks, under those circumstances, would be able to regulate it much more effectually than it is done at present.

4401. In what way would they regulate it?—We find, by the experience of the Scotch Banks, that they are enabled to regulate the currency independently of the Bank of England; and I see no reason why Joint Stock Banks, established on the same principle in England, may not be able to regulate it equally as well as the Scotch Bankers.

4402. You say that the Scotch Banks regulate the currency; do you mean that there are no fluctuations in the amount of the currency in Scotland?—I am disposed to think the fluctuations in the currency in Scotland are not so great as they are in England.

4403. Have

4403. Have you not heard of periods of great difficulty in the manufacturing parts of Scotland, occasioned by fluctuations in the currency?—It is difficult to say how far those difficulties may have been occasioned by the fluctuations of the currency of England; there can be no question that any fluctuations in the currency of England must affect all parts of the Kingdom, and Scotland in common with other parts.

4404. What reason have you to say that the fluctuations which have occurred in Scotland arise from the fluctuations in England, rather than from the fluctuations in Scotland?—It is impossible that the excessive fluctuations that we experience in England can fail to affect the currency of Scotland, and it is probably difficult to decide what is the precise amount of the effect of those fluctuations.

4405. Are you aware that 1 l. notes circulate in Scotland that do not circulate in England?—Yes.

4406. Are you aware that the same disastrous effects which you mention as having arisen from an undue accommodation having been given by the Bankers in Lancashire to the trading interest, also occurred in the same period in the manufacturing district of Arbroath, and from the same cause?—I am aware that there was a considerable distress all over the Kingdom, arising from over-issue of paper; but whether it was in the same degree, I am not able to state.

4407. In every instance of great fluctuation in Scotland has it not been either preceded or accompanied by great fluctuations in England?—As far as I know, it has been uniformly so.

4408. That is, that enlarged issues of paper which have taken place in England, principally by the Bank of England, have contributed to fluctuations in Scotland as well as in England?—They cannot fail to have the most powerful influence over Scotland and over the whole country.

4409. Are you not aware that in Scotland, within the last five or six years, great losses have been occasioned to and have been suffered by the bookselling trade; and that in consequence of the failures in that particular line, several of the banking companies have experienced very great losses?—I am not acquainted with any of the transactions of that trade; I am more acquainted with the cotton trade than with the bookselling trade.

4410. Are you acquainted with the distress and pecuniary pressure which existed in the manufacturing districts in Scotland at the close of 1825 and the beginning of 1826?—I am not much acquainted with Scotland.

4411. You stated that you attributed the diminution in the circulation of bills of exchange in Manchester very much to the establishment of the Bank of Manchester, because that Bank had discouraged that description of circulation; that Bank commenced its operations in March 1829?—I think it did.

4412. Was not the Branch Bank established in Manchester in the close of 1826?—I do not remember the period precisely, it may have been about that time.

4413. Was not its rate of discount four per cent without a commission?—I believe it was.

4414. Was not the rate of discount by the private Banks, previously, four per cent, with a commission of a quarter per cent?—I do not know when the alteration took place.

4415. Did not the Bankers, in consequence of the establishment of the Bank, lower their rate of discount to three per cent, with the addition of one-fourth per cent?—I believe they did somewhere about that time, but whether before or after I cannot say.

4416. Which on a bill of three months' date is equal to four per cent without a commission, but more if the bill is of a shorter date?—Precisely.

4417. Has it not long been the custom, and does it not still continue in the dealing in the staple commodities of the district, that the purchaser has the option, in case of purchases of raw cotton, either to pay for it in ten days by bill at three months' date, or in cash deducting five per cent interest for the time, and in case of cotton manufactured goods, either to pay for it in a bill at three months' date, or by cash, deducting one and a half per cent, which would be at the rate of six per cent interest?—With respect to the purchase of cotton, it is in this way, payment by a bill at three months' date, within ten days, with

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an allowance of interest at the rate of five per cent if paid in cash or bills at a shorter date than three months.

4418. Would not, then, the reduction in the rate of discount, coupled with the continuance of the terms of dealing thus named, account in a great degree for the reduction of bills of exchange; would it not carry any bills of exchange, in short, into the Bankers' hands to be discounted, and there they would remain till their maturity?—Yes, unless re-issued or discounted by the Bankers.

4419. Besides the reduction in their rate of discount, was there not another important facility which the Branch Bank afforded to the Public, by enabling the transmission of payments with only the charge of postage of a single letter, not only between London and Manchester, but between Manchester and every town where a Branch was established?—That facility, I understand, is afforded between two parties who keep accounts with the Bank, not with any others.

4420. Is not this used to a great extent between Manchester and Liverpool, in payments for cotton?—I am not aware that it is; the Bank of Manchester give credits on the Bank of Liverpool to some extent; I am not aware that any business of that kind is done by the Branch Bank, it can only be done in cases where the parties in Liverpool transact business with the Branch Bank in Liverpool.

4421. Supposing this accommodation to be given to a considerable extent, would not that serve materially to diminish the amount of bills of exchange in circulation?—Certainly it would.

4422. You are aware perhaps that it would also interfere very materially with the business of the private Banks, through whom those payments were formerly made?—I am aware that it has; but, as I stated before, I think the establishment of the Bank of Manchester has discouraged that kind of paper very much, by affording to its customers the option of drawing out cash without any expense, in preference to getting bills at three months' date, on which they have to pay a commission, and also the expense of a stamp, which with the Bank of Manchester, who pay them out cash, they avoid.

4423. It would seem, then, that those operations of the Branch of the Bank of England which have been alluded to, had the effect of materially diminishing the amount of bills in circulation before the Joint Stock Bank was established?—I think it had.

4424. Do you call to mind the failure of any Bank of importance in the county of Lancaster within your recollection?—I only recollect the failure of Thomas Crewdson & Company at Manchester, and Roscoe & Company at Liverpool, and Hodwin & Company at Liverpool, and two Banks at Lancaster. As regards Lancaster, all the Banks failed there, and that was the origin of the Joint Stock Banking Company being established, and it is now the only Bank they have there.

4425. What was the period of the failure of the private Banks at Lancaster?—I think it was about the time of the Panic.

4426. Do you recollect when the failure of Thomas Crewdson & Company occurred?—I think it was in 1826.

4427. Had they been Bankers for twelve months before that time?—I do not know the time, but it was a short time.

4428. Did they pay their debts in full?—I believe they did.

4429. Have not the Bankers in Lancashire at all times granted liberal accommodation to their customers?—I believe they have granted accommodation in the way I have stated.

4430. If they have committed any error in this respect, has it not been in being too lavish in their advances?—That they have been too lavish in lending their credit, is what I complain of as being a great error.

4431. In Lancashire, where the commercial dealings are perhaps to a greater extent than in any other county, and where none of the Bankers issue their own notes, they nevertheless afford abundant accommodation to the Public, and the Public has suffered very little from the failure of Banks?—I think I have already stated that they have afforded very large accommodation to the Public, from which the Public I think have suffered very materially, as I have stated in my evidence, but the Public have not suffered so much from the failure of Banks in Lancashire.

4432. In reference to the advances made by the Bankers to their customers, you were asked whether you thought that Bankers would have been less inclined to

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to make those advances, at the period you referred to, if they had issued their own paper in cash notes, and you thought they would, because if they had issued them in cash notes they would have been liable to pay those notes on demand, but if they issued bills at three months' date the payment was deferred; would they not have had the option, supposing they had issued their own notes, of granting the advances either in those notes or in three months' bills?—Unquestionably they would have had the option, but the Public would not permit them to issue their own notes, and therefore they were obliged to resort to that kind of circulation which they adopted, and which, I contend, has been so injurious.

4433. Did not the Bankers, in issuing this accommodation, suppose that they were acting for their own interest?—I suppose they did.

4434. If it was to their interest to give accommodation upon this sort of bills of exchange, why do you not think they would not have considered it for their interest to do so if they had been in the habit of issuing cash notes?—They would, I think, have found it to their interest to have made considerable issues if they had issued notes payable on demand; but I think they could not have issued them to such an enormous amount that they were enabled to issue bills of exchange at three months' date.

4435. Why would their being in the habit of issuing cash notes have prevented them from issuing bills at three months' date as they did?—I have already stated that the Public would not permit them to issue cash notes payable on demand.

4436. Supposing they had been in the habit of issuing cash notes payable on demand, and that the Public had permitted them to do so, would that have been any reason for their not having issued bills in the mode they did issue?—It is altogether an hypothetical case; but I think it very probable that the Public would have been alarmed if, in addition to a large amount of issues by bills at three months' date, they had also issued a large amount of notes payable on demand.

4437. Might not this circumstance have checked their issues of notes payable on demand to the same amount as they issued bills of exchange, namely, the circumstance, that if a Banker issues notes payable on demand, they may all be presented for payment on the same day, whereas if he issues notes payable at date, he may so adjust the dates that they shall be presented for payment successively; and does he not therefore run less risk by issuing notes payable successively at fixed dates, than if he issued the same amount of notes all payable on demand?—I think I have already stated that I am of opinion they would not have issued the same amount if they had issued notes payable on demand, for which they would have been liable to be called upon at any moment.

4438. Supposing they had the power, and had been in the habit of issuing both, are you of opinion that they would not have issued together, between the two, to the same extent that they issued notes payable at different dates?—I think the aggregate amount of the two, in that case, would not have been so large as the amount was in three months' bills.

4439. Why do you think that?—Because, as I have stated, I think so large an issue would have been more seen by the Public had it been in notes payable on demand, which would have circulated in the immediate neighbourhood, than it is by an issue of three months' bills, which find their way, a great many of them, to London and to different parts of the country for discount, and therefore are not seen; but if a very large amount of promissory notes payable on demand had been circulated in the town and the immediate neighbourhood, it might have created alarm, and have caused the notes to have been sent back for payment.

4440. Would not the risk of presentation on the same day, of notes payable on demand, which you state applies to the whole, apply also to a part?—I think not, because the greater amount they have in circulation, the greater is the risk of immediate presentation; because the Public are not liable to take alarm when there is a small amount only in circulation.

4441. As far as the risk goes of presentation on the same day, does not that apply to a part as well as to the whole; and would they not rather issue for their own security notes to that amount, payable after date, than they would issue the like amount payable on demand?—Certainly.

4442. (To Mr. Burt.)—You belong to the Bank of Manchester?—I am a partner and a Director in the Bank of Manchester.

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4443. What business do you follow?—A merchant, chiefly in agency in the Foreign export trade.

4444. Have you paid attention generally to the Banking trade?—I have devoted part of my attention to the Banking trade, from being a Director in the Bank of Manchester, and having an interest in its welfare.

4445. Are you competent to give the Committee an opinion upon the general state of the Banking trade in England?—I think I know something of the Banking trade, and I shall be very happy to state what my opinion is with regard to it.

4446. What is your opinion?—That as it is at present, it is altogether unsound, and that it will continue so as long as the Bank of England has the privilege of extending or contracting its issues arbitrarily.

4447. How do they operate, in your opinion?—The effect of an extension of the issues is to make what is called money plentiful; but I consider this to be merely the semblance of prosperity, and nothing more; it induces Bankers and private merchants, at the same time that the Bank of England lets out its issues, to let out theirs; and in fact they become involuntarily and unconsciously a sort of agents of the Bank of England, they are regulated by it in some measure; this naturally adds to the evil when a great issue of paper and promissory notes takes place, and that at the time when it pleases the Bank of England to extend its issues; and when a diminution of the issues of the Bank of England takes place, a corresponding process with all its attending evils naturally follows.

4448. What is the nature of those evils?—The nature of the evils attending such an over issue is this, that it induces people to extend their trade; it has an effect upon the monetary system at the time; by making money exceedingly plentiful in the country, great quantities of goods are produced; and again, when the issues of the Bank are contracted, there has been, in consequence of the great production of goods, a difficulty of selling them or exporting them; and all the evils that naturally attend a fluctuating currency are felt by the merchants and others engaged in trade.

4449. Do you allude to those periods of commercial distress which have taken place in this country at different periods?—I allude particularly to the great periods of commercial distress which have taken place in this country, more especially to the last period; but in my opinion there is a constant fluctuation in the monetary system in our country which does a vast deal of harm.

4450. In using the expression “constant,” what meaning do you apply to it?—I have seen an Account of the Issues of the Bank of England from week to week, and I observe in those issues a great deal of variation. The reason why the Bank of England issues a great deal at one time, and a small amount at another time, I am not able to state; but I believe that those issues have a great effect upon the commerce of the country; that when a merchant or manufacturer finds money to be plentiful he naturally uses that money; again, when he is limited with regard to money, he wishes to realize; and this causes a fluctuation, it diminishes the value of commodities; and I think that this power is too great to be held by any company or any corporation.

4451. Do you think the issues have such an effect upon the prices and markets as to derange them from week to week and from month to month?—Perhaps the fluctuations cannot be said to be from week to week or from month to month, but when there happens to be a redundancy of Bank of England issues, then prices get high; and we know, for instance with regard to obtaining money in Manchester, if the rate of interest in London is very high, a Banker is not so willing to discount bills as he is when the rate of interest is low.

4452. Are you in the habit, in making your calculations for commercial speculations, of watching the issues of the Bank, either by looking at the Foreign Exchanges, or at the price of exchequer bills?—I occasionally look into those things, but as to foreseeing what is about to take place by the Bank of England, it is impossible. One may form some opinion with regard to the extension of its issues when the dividends are about to be paid, as they will affect the plenty of money at that particular time; but the conduct of the Bank of England is so uncertain, that it is impossible for any merchant to come to a reasonable conclusion as to what will be the effect two or three months hence, and thus it renders all his speculations and his best laid plans quite unavailing.

4453. Then you mean that commercial transactions are deranged and the prices disturbed by the issues of the Bank of England?—I mean to say that I consider the

the most judicious and the best laid schemes are frequently defeated by what takes place in the issues of the Bank of England. A merchant naturally forms the best estimate he can with regard to what will take place; what the price of the commodity is at that time he knows, and he forms the best opinion he can as to what the price will be some two or three months hence; and there is a great uncertainty upon that point, in consequence of the fluctuation of paper by the Bank of England.

4454. You mean to say that the prices and the markets are not settled by the demand and supply, and by what may belong purely to the trade, but by something else, namely, the issues of the Bank of England?—Yes, I do; and I mean also to say, that a manufacturer is very often induced to do more business than he ought to do when he finds money to be exceedingly plentiful, and he is as it were seduced to do business at a time when it would be more proper for him to let it alone.

4455. Would not fluctuations in price take place although there were purely a metallic currency, when the Government have to collect the revenue in the current quarter, and to make large payments of dividends at the end of the quarter?—I believe that fluctuations would naturally take place, but that they would not be so great as they are at present, and consequently to give the power to create an artificial fluctuation is, in my opinion, a bad thing for the country.

4456. Would not great fluctuations take place with a purely metallic currency, if there were a great variation in the harvest, or in the crops of the principal articles of import, such as cotton and sugar?—Yes, certainly; I think that natural causes will always affect the price of commodities to a considerable extent, for instance, a short harvest in this country will naturally enhance the price of corn, and a short crop of cotton in America will enhance the price of cotton; but if those fluctuations in prices are rendered still greater by the present monetary system, in my opinion this power should not be allowed, because it is doing a great evil to the country by adding to the extent of fluctuations, which might otherwise be confined in a smaller compass.

4457. You stated that the Bank expand and contract its issues arbitrarily; have you examined how far those variations in the prices and in the amount of currency have been owing to other causes than the arbitrary conduct of the Bank, how far they have been owing, for instance, to the payment of the dividends, or a variation in the harvests, and other causes?—I think it is impossible for any person to give a distinct answer as to the amount to which they are influenced by either of those causes; that they are influenced by all those causes together, there is no doubt, but I could not take upon me to say how much each particular commodity is influenced by each separate cause.

4458. If you knew beforehand on what principle the Bank conducted its issues, and if you also knew, by the publication of its Accounts, how far it adhered to that principle, would not that knowledge be of great assistance to you as a Banker, in regulating your own issues?—I consider publicity with regard to a Joint Stock Bank, which the Bank of England is, to be of great consequence to the community, particularly in the case of so large a bank as the Bank of England, which has so great a command over the monetary system. It would not cure the whole of the evils, but it would go a great way towards it.

4459. If you knew whether the Bank did or did not extend its issues arbitrarily, or whether it was governed by any fixed principles in its issues, would not that knowledge alone be of considerable use to you and to the Public?—It would depend upon this, whether the fixed principle was a proper principle or not.

4460. What do you think ought to be the principle upon which the Bank of England should regulate its issues?—I should say that the Bank of England should regulate its issues in a great measure by the state of Foreign Exchanges. It has been said that the Bank of England regulates the Exchanges; in my opinion, it would be a much wiser course if the Bank of England were to regulate itself by the Exchanges.

4461. Speaking of a recent period, do not you apprehend that the Bank of England, as a general rule, have regulated its issues by reference to the Foreign Exchanges?—I would say that the Bank of England has regulated its issues more with a view of protecting itself than by any other rule; I do not

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conceive that the Bank of England regulates its issues for the purpose of doing service to the world; I think it regulates them for the purpose of retaining in its coffers a certain amount of money, and it does this for its own protection. If it sees gold going very quickly out of the country, and that there is a redundant circulation at the time, it merely looks at the quantity of gold on hand to meet the demand which may be made upon it for its notes, and it lessens the quantity of its notes, that it may have to pay a smaller amount in gold.

4462. What is your reason for thinking that the Bank of England does not adopt exactly that rule, namely, referring to the Foreign Exchanges, and either contracting or extending its issues, according to the Foreign Exchanges?—Because as the Bank looks to its own interest, its object will be to preserve itself against any unpleasant situation in which it may be placed by too great a demand being made upon it for bullion, arising from the alteration of the Exchanges; and this preserving principle is inherent in the Bank of England, and in all Banks; in fact, in all mercantile societies.

4463. Is not the well understood interest of the Bank of England exactly coincident with the well understood interest of the Public, namely, giving as large a circulation as is possible, consistent with the principle of meeting the demand for gold?—I think that is very doubtful; and whether that principle is always acted upon, is also doubtful.

4464. As they profess to act upon that principle, will you state what are the facts upon which you come to the conclusion that they do not act upon it?—We have seen a great deal of harm that has taken place at different periods, such as the Panic period in 1793, and in many subsequent periods; and if that proper caution had been observed, and if the Bank had come promptly forward, and not been too late in its operations, I conceive that a vast deal of the mischief which took place in the country would have been prevented.

4465. Can you take later periods than the one you are speaking of, which is forty years ago?—I spoke of two periods, I spoke of the late Panic, and I alluded to the period of 1793; and I include all the intermediate periods of great fluctuations that have taken place since, as being the effect of the Bank of England not watching the Foreign Exchanges, the gold going out of the country, and other circumstances connected with what would have been for the welfare of the country at the time.

4466. Are you speaking of the conduct which the Bank of England adopted during the existence of the Panic, when they extended their issues liberally without exact reference to the Exchanges, or are you speaking of their previous conduct in the year 1825, as having been one of the causes which led to the Panic?—I am speaking of the great issues of the Bank, both in paper and gold, which took place at that period.

4467. With reference to the last five years, will you compare their issues with the state of the Exchanges, and refer to the particular circumstances which you think prove the impolicy of their conduct?—Upon that subject I am not at present prepared; but there are so many books upon the subject, by Mr. Tooke, Mr. M'Culloch, Sir Henry Parnell, and other gentlemen, that that information can be easily obtained.

4468. Then you found your conclusions upon the books you have read?—I found my conclusions upon my practical experience of the fluctuations that I have observed as a merchant; and I look to books to enable me to ascertain what the cause has been, wishing to understand, as far as I can, how this fluctuating, varying, distressing system, has originated.

4469. Have you experienced any distressing fluctuations since the period of the Panic?—There have been fluctuations, but not to so great a degree; we got such a lesson during the Panic, that we have been more guarded since, both Bank Directors and Merchants, and every one else.

4470. Have you any reason, from your experience as a merchant, to think that the Bank have misconducted their business since the period of the Panic?—I cannot pretend to say how the Bank has conducted its business, because I do not know the grounds upon which they act.

4471. From your experience of the effect of the conduct of the Bank upon your affairs as a merchant, have you reason to think that they have misconducted their business since that period?—I think the Bank has certainly been very variable in its conduct. A period has been alluded to when the Bank at Manchester applied for a discount of 20,000*l.* and it could not be got. It consists

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consists with my knowledge that other people that did business with the Branch Bank of England at that period had a difficulty in getting discounts, that they were arbitrarily limited, that is to say, they did not know any reason for it. At one period there was abundance of money, caused by the Bank of England letting out paper abundantly, and at another time there was a scarcity of it.

4472. Might not the circumstances of the Foreign Exchanges have justified the Bank in refusing to give the accommodation that you required?—I cannot give an answer to that question. The Bank of England does not issue a great deal in the shape of commercial discounts; and I should think it good policy for them, as far as possible, to keep their mercantile discounts as nearly at a level as they can, so as not at one time to be redundant, and at another time to go to the opposite extreme; and that with regard to the two or three millions which it affords to the mercantile community, it would be a great advantage to keep the amount as steady as possible.

4473. Do you think it would be a good principle for the Bank of England to act upon, to keep the sum total of the available securities in its hands, that is, mercantile bills and Government securities, as nearly upon a level as it could?—As far as the mercantile world is concerned, I conceive that it is a matter of great importance that there should be as small an amount of fluctuation in the paper money put out by the Bank of England as possible.

4474. Would not the Bank keeping its securities on a level have the effect, that any drain of bullion upon it would act only to the amount of that drain upon the circulation of the country?—I think that as bullion may sometimes become the subject of commercial speculation, there may be an object in sending it out of the country to make a profit upon it; at that time there will be a great demand upon the Bank of England for gold when merchants can make a profit by exporting it.

4475. Would it not be desirable, when merchants can make a profit by exporting gold, that the amount of the circulation in the country should be diminished in such a degree as to diminish the profit of merchants in exporting gold?—I should think it would depend upon whether the circulation of the country was redundant or otherwise.

4476. Do you think that it could be profitable to export bullion from the country, unless the circulation was redundant?—I think that the circulation being redundant has the effect of reducing Foreign Exchanges, and when that is the case, that bullion naturally finds its way out of the country.

4477. How does a redundancy of circulation operate upon the Foreign Exchanges?—It causes the rate of exchange on this country to fall.

4478. Does not there appear to be a great apprehension in Manchester, and in the whole of Lancashire, of the effect of a redundant circulation?—Yes, of a redundant and insecure circulation, but not of an expanded and secure one.

4479. Is there not a repugnance upon the part of the Public in Lancashire against the Bankers in that district issuing local paper, for fear there should be an undue stimulus given to speculation?—It is a prevailing feeling, but I do not think that is the reason; it is for fear that the circulation should be insecure.

4480. Does any person of perfectly good credit find any difficulty in getting accommodation from the Banks in Lancashire at present?—No; but the accommodation depends upon the facility which the Banks in Lancashire have of getting money in London. They at present receive their supplies from London, and of course their circulation in Manchester depends upon what the feeling is of the money market in London.

4481. Do you think that for the purpose of conducting mercantile concerns in Lancashire it would be advisable to permit the re-issue of notes below 5*l.*?—I am hardly prepared to give an answer upon this subject; my own opinion is that it would be desirable not to permit notes below 5*l.* to be circulated, as it might have the effect of banishing gold out of the circulation.

4482. Do you think commercial enterprise is at all checked in Lancashire by the want of accommodation?—It is affected by the fluctuations which have hitherto taken place.

4483. Do you think it would be desirable to afford any fresh stimulus to the production of manufactured articles in Lancashire?—I am not aware that there would be any fresh stimulus required further than this, that Banks that issued in Lancashire their own notes would be more aware of the wants of their peculiar localities than is perhaps the case at present.

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4484. Do not you think that there is as much production of manufactured articles in Lancashire at present as can be taken off by the demand, and that they do not want an increased circulation for the purpose of promoting production?—We want a good sound circulation, for the purpose of enabling judicious merchants to do what they may think best for promoting their own interest.

4485. Would you advise that private Banks, or Joint Stock Banks issuing their own notes, should be released from the obligation of paying their notes in gold on demand?—Certainly not.

4486. You think that the obligation to pay their notes on demand is a natural check against excessive issue?—Yes, I do.

4487. And that without that check there would be a greater risk than at present of an over-issue, and an undue stimulus to production?—I think that the monetary system would be put into great danger by the different Banks in Lancashire issuing notes, if they were not at the same time obliged to keep in their coffers a redeeming power for the notes they sent out.

4488. Supposing that redeeming power were Bank of England notes in place of specie, would that be an accommodation to the Banks?—I do not think it would; the difficulty occasionally of getting those Bank of England notes, and the facility of getting them at other times, would render the thing still fluctuating and insecure as it is at present.

4489. Do you think a Banker could be permitted to pay his notes in Bank of England notes, without at the same time making the Bank of England notes a legal tender to other parties?—I do not see why a Banker should be prevented from giving Bank of England notes in lieu of his own, if he chooses to do so, and if the party applying wishes to have them; but I think no Bank note should be made a legal tender, because I would have every Bank depend upon itself for keeping a sufficient supply of gold in its coffers for its own security and its own protection.

4490. If the holder of Bank notes in the country were not able to procure for the notes he held specie from the Banker, would it not subject the holder to such inconvenience, that you must, for the sake of remedying that inconvenience, empower him as well as the Banker to make payment in Bank of England notes?—No, for I have said that all Bankers, and all prudent companies, whether Bankers or not, will naturally take care of themselves; and perhaps in concerns that are not very much extended, there is a greater disposition to take care of their interests, and it is more easy to do so, than in a concern that is very much extended.

4491. Supposing the Legislature permitted a Country Banker to pay for his issues, when presented to him for payment, in Bank of England notes, will not the holders of that Banker's notes be subject to the greatest inconvenience if they are required to pay their debts in the current coin of the realm, and not permitted, as well as the Country Banker, to make their payments in Bank of England notes?—In the first place, I should hope that the Legislature would never do any such thing, for, if it did not, the Banker who issued notes would have to pay them in the current coin of the realm, to those who wanted to have it.

4492. If the Legislature did, is it not almost a necessary consequence of that to allow Bank of England notes in the country to become a legal tender for payment?—There is no evil I would deprecate more than the making the Bank of England notes a legal tender; and it is a question that I could not at present give any other answer to than this, that the Legislature of the country would be putting the monetary system in a much worse situation than it is at present, if they were to resort to such a measure.

4493. How would the smaller currency of the country be provided for if the Bank of England were not permitted to issue 1*l.* notes, and a Country Banker was not required to give other than Bank of England notes in payment of his own issues?—In this case he would be exonerated from paying any note under 5*l.*; but if he did pay it, it would be a voluntary act, and it must of course be in gold and silver as at present.

4494. Would there be any compulsion upon the Country Bankers in that case to make any payment in gold except in fractional parts?—No, certainly not in that case; but as the law now is, if a Country Banker promises to pay on demand,

demand, he is obliged to pay his notes on demand in gold and silver when they are presented to him.

4495. In case the Legislature should permit Country Bankers not to pay in gold, but in Bank of England notes, and the Legislature does not at the same time permit the Bank of England to issue 1*l.* notes, would not the Country Banker then be exempt from making any payment in the current coin of the realm; and how would the currency in smaller sums than 5*l.* be then provided for in the country?—If a note is presented to a Country Banker for payment, for 5*l.* for instance, and the Bank of England is not allowed to issue paper under 5*l.*, the only alternative he has is to pay that note in gold or in silver. From the circumstance of his having given an obligation to the Public, promising to pay on demand, I apprehend he must fulfil his obligation.

4496. Do you think that the permission to a Country Banker to make his payments in Bank of England notes would almost of necessity lead to a return of the issue by the Bank of England of 1*l.* notes, in order to provide for the smaller currency of the country?—I see no necessity for this, nor any reason why the small currency of the country should not be provided for in gold or silver as at present; I think that a Country Banker should be allowed to pay in any way that he chooses; he may either circulate his own notes, or pay in Bank of England notes, or in gold.

4497. Do you think if it were optional with him to pay his own notes, either in specie or in Bank of England notes, he would be willing to issue Bank of England notes in payment for them?—Upon these hypothetical cases it is almost impossible to give an answer; I have said already that I trust the Legislature will never come to any such conclusion as to make Bank of England notes a legal tender.

4498. You have stated, that your objection to the system of Banking, as it now exists in Lancashire, is not on account of any want of accommodation, but on account of the fluctuation in that accommodation which takes place under the present system, that sometimes there is abundance and at other times it is suddenly contracted to the injury of trade?—That is one of my objections.

4499. Have those objectionable fluctuations you complain of been greater since the Bank of England has had the Branch Bank at Manchester, or have they been less?—I have already stated, that since the Panic there has been a greater degree of prudence, and more attention to what was about to take place, than previous to that period; that there have been fluctuations since is certainly the case, but that they have not been so great as in that year is likewise an undoubted fact.

4500. Are you aware of any great fluctuations in trade in Manchester subsequent to the Panic year, that you could fairly attribute to any defect in the Banking system there?—As I gave an answer before with regard to natural causes, they certainly take place sometimes independently of the Bank of England. There may be an overstock of goods abroad, but often the overstock of goods abroad is produced by the facility which is given by the Bank of England at one time, by letting out a great amount of its issues to manufacturers, thereby producing a greater quantity of goods than there ought to be; and when they cannot sell them at home, they are induced to send them abroad, and all the consequences of over-glutted markets naturally take place.

4501. Will you state to the Committee what practical change you would recommend to Parliament, upon the renewal of the Bank Charter?—In the first place, I would have an open competition in Banking; I would give no exclusive privileges; I would have no secrets with regard to Joint Stock Banks, because I think that every degree of publicity should be given to their proceedings; I conceive that a private Banker has a right to do what he pleases, and that it would be an infringement upon the liberty of the subject to ask any question, either as to the amount of his capital or as to the way in which he chose to dispose of it; but the Joint Stock Banks should be founded in publicity, and should publish annually the state of their affairs, and thus give to the Public confidence in regard to the way in which they stand. Another thing I would recommend would be, that the currency of the country, if it is to be founded upon issues by private Banks and by Joint Stock Banks, should be founded upon a security with which the Public would be perfectly satisfied; in other words, I think that in all cases the private Bankers ought to find security.

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In the cases of Joint Stock Banks which publish annually an account of their capital, and likewise a list of the number of their partners, and which Account of course stated what the amount of their paid-up capital is, the Public, from finding that there is an immense sum of money in those large Joint Stock Banks, besides the liability of the property of the partners, would have that confidence in Joint Stock Banks which it is impossible they can have in private Banks, however respectable the private Bankers may be; and it could be no hardship upon a private Banker to give security, because if he has a sufficiency of funds it would not be inconvenient for him to do it, and if he has not a sufficiency of funds, he has no business to inundate the country with paper that he chooses to issue.

4502. Have you any other suggestion to make, of any change that you would recommend?—Nothing occurs to me at present; but I shall be glad to answer any question upon the subject. With regard to the plan we have given in, stating the principles upon which we think Joint Stock Banks should be conducted, that is a plan that has been digested by the Bank of Liverpool and the Bank of Manchester together; it has not been hastily done, but, after having looked to the consequences that would result from different measures, we have at last ventured to submit to this Committee our Statement of the principles upon which we think the Joint Stock Banks ought to be conducted.

4503. When you say that you would wish the Bank of England to have no exclusive privilege, what exclusive privileges has the Bank of England at present which you consider to be injurious?—The power of the Bank is that it may extend its currency just as it pleases; it does not afford any information to the country upon what principle it acts, and by so doing it has the power of raising the value of my property or diminishing it at any time that it chooses; I consider this to be too great a power for any corporation or any company to possess.

4504. Are the Committee to understand that you object to the exclusive privilege of the Bank of England, as to being the sole issuer of paper in the Metropolis, and that you would wish for a variety of Banks in the Metropolis issuing paper?—I am not for a monopoly in banking in the Metropolis or any where else.

4505. Do you think there should be a general permission to any Banking Companies to set themselves up in London?—In the plan we gave in with regard to Joint Stock Banks, we propose that it should be referred to Government what the amount of the capital should be in any particular locality; I should say that the same rules that ought to apply to Joint Stock Banks generally, ought to apply to the Bank of England, as being one of those Joint Stock Banks.

4506. It appears that your complaint with respect to the currency is its instability, and its tendency to constant fluctuation, because the Bank of England issues, as you consider, with reference to its own interest and not with reference to the public interest; do not you suppose that if there were a variety of Joint Stock Banks in London upon the principle of what you call general competition, those Banks would not issue otherwise than upon a view of their own interests, and that they would therefore constantly be bringing upon the Public that fluctuation of the currency of which you so much complain?—I conceive that if there were a great many Banks of different descriptions in London, money would find its level just as it does at present, and that the formation of Companies should be left to the discretion and good sense of the merchants in London, who would naturally form such associations in banking as would be adapted to the circumstances of the place. I have said before, that I conceive that every prudent Banking concern would keep a certain amount in its coffers for the purpose of regulating itself; and so far from the Banks regulating the Exchanges, the Exchanges would regulate the conduct of the different Banks, and thus prevent that great degree of fluctuation that has hitherto taken place.

4507. Do you think the Exchanges are so likely to regulate the conduct of conflicting Banks acting in competition with each other, and each attempting to make profit over their rivals, as in the case of a single Bank having the responsibility as well as the interest to regulate its issues by the state of the Foreign Exchanges?—Upon the great principle of self-preservation, every Bank would naturally take care of itself; and if there were in London five or six, or seven

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or eight large Banks, if one of those Banks over-issued at any particular time, its notes naturally would find their way into the other Banks, and the Exchange in London would be regulated just in the same way as it is in Edinburgh or in Glasgow; an over-issue by one Bank would cause the notes of that Bank to go to other Banks in greater abundance than what was held by the opposite Bank, and they naturally must pay immediately for their over-issue. This is the greatest and the best check I know of, for preventing Banks from over-issuing.

4508. Were you in the country in the year of the Panic?—I was.

4509. Were you in business at that time?—I have been in business in England for about 20 years; the former period of my life was spent in Scotland.

4510. Are you aware that upon that occasion all the Banks in the country, as well in England as in Scotland, depended for their supply upon the Bank of England?—I am quite aware of that.

4511. Supposing at that time there had been no such establishment as the Bank of England, having the general confidence of the country attached to it, and that the people, from want of confidence, were each applying to the individual Banks, do not you suppose that upon that occasion the calamity would have been much greater, and that the power of remedying that state of distress would not have been so effectual?—The question assumes that the Panic would have taken place if Country Bankers issuing their own notes payable on demand, with a sufficient redeeming power in bullion, had been then in existence; now, I think the Panic was in a great measure owing to the circumstances that actuated the Bank of England at the time, therefore, of course, I cannot give any answer assuming that these things would have happened, when I believe that if the circulation of the country had been different, no panic would have taken place, or at all events that no calamity to the extent of that which took place would have occurred.

4512. You have stated that the principle of self-preservation would induce every Bank to hold a sufficient quantity of specie; from your experience as a Director of an Establishment of that description, what do you hold to be a safe proportion of specie to its issue for a Bank to hold?—That I have yet to learn; we have not yet been in the habit of issuing notes; but what we should do would be to let out our issues gradually, and to keep at first a superabundant quantity of gold for the purpose of making every thing safe. In the course of our experience we should naturally arrive at the amount which it would be necessary to keep, but that is a thing which is only to be learnt by experience. At first, all well constituted Banks would act upon the safe side, by keeping in their coffers more specie than was actually necessary, and they would in the course of time ascertain what quantity would be required.

4513. Are you aware that at the period of the Panic, Banks, which in ordinary times would have thought a fourth or a fifth or in some cases a tenth of their issues held in specie to be sufficient, were in the situation of finding three-fourths, or in some cases little short of the entirety of their funds, not more than sufficient to meet the demands; now, in case of a Panic, which affects almost all the private Banks, but which do not touch the security of the Bank of England, do you not think that a panic of that description, coming when there was no great privileged Bank in the Metropolis, would be productive of great distress, and in short, that it would operate with such intensity that it must inevitably produce a stoppage of cash payments?—I have already stated that I did not believe any such panic would ever take place, and therefore I cannot give any answer to questions built upon that supposition.

4514. Setting aside now the question of whether the Panic in 1825 was occasioned, as you suppose, by the Bank, was it not remedied by the fact of the superior credit of the Bank of England, in a way that it could not have been remedied if there had been in the country a great number of unconnected Banks, forming no centre to which they could all have recourse?—No, I think not; the remedy applied by the Bank was attended with imminent hazard to itself, and would have been fatal to it but for the necessary, though reluctant reception by the Public of its 1*l*. notes, which prevented the actual stopping of payment. If the same amount of bullion which the Bank possessed before the run upon it, had been distributed among many Banks in different parts of the country, and had the mass of paper circulation proceeded from them, instead of the Bank of England, I have no doubt in such a case the Panic

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would have been of shorter duration, and less destructive in its consequences. But I repeat that the Panic, in my opinion, would not have happened in the supposed case, for I think it was first caused by the Bank of England, and afterwards the Bank remedied it in the best way that it could.

4515. How much gold do you think the Scotch Banks kept at that time?—I should think the stock of gold in Scotland was not great at that time; Scotch Banks are in the habit of keeping a small amount of Bank of England notes and a great amount of Government securities, and when they want money they can sell those securities and procure gold.

4516. Then they do not keep a sufficient stock of gold to meet the demand?—They have no occasion for it.

4517. When you say that they have no occasion, is it not because they have an easy access to the London market for their supply in case they want it, and that that London market is in fact the Bank of England?—Yes, because the Bank of England has a monopoly.

4518. Is there in Scotland a demand for gold from the Banks?—There is not; there is a very small demand for gold in Scotland; generally speaking, there is a circulation of 1 l. notes instead of gold.

4519. Has any Bank in Scotland failed in consequence of not being able to pay in gold?—Certainly not.

4520. What would be the consequence if the Banks in Scotland over-issued paper?—The Banks in Scotland are prevented from over-issuing paper, because their over-issues are corrected every week. They exchange, I believe, twice a week; and if one Bank issues a greater amount of paper than it ought to do, it does not get the same aggregate amount in paper from the other Banks, and therefore it has to pay the balance immediately by a bill at sight on London.

4521. That bill at sight on London is in fact an order for so much gold in London, is it not?—The Scotch Banks must have funds in London, before they can draw this bill at sight, and it is an order on those funds in London for that which will purchase gold.

4522. So that, after all, the balance of the Scotch Banks and the correction of their over-issues is settled and regulated by a transaction upon the London Exchange?—Certainly, in consequence of the present system; but if the Bank of England had not this monopoly, the Scotch Banks would act differently.

4523. How would the Banks in Scotland act if the Bank of England had not this monopoly?—It would depend on what was done by the Legislature, with regard to the Banking system of the country, and the sort of Banks that were instituted in it.

4524. Would it not be impossible to draw any conclusion from the fact, of the security under which the Banks of Scotland have hitherto issued their paper, with regard to what might be the case in the event of the system of the Great London Bank being deranged, where the settlement of all transactions of those Banks in Scotland ultimately takes place?—There is very little fluctuation or run upon the Scotch Banks, in consequence of their being based upon such sound principles. The capital of most of them is well known, as are also the partners in the private Banks; and altogether they give such an assurance of safety to the Public, that there is no doubt with regard to their solidity, and consequently there are very seldom any runs upon them to any extent; and whether the great London Bank was deranged or not, if it had no monopoly, the Scotch Banks would pay for their differences by drafts on that Bank which would do it at the cheapest rate and in the best manner.

4525. You have spoken of the exclusive privileges which you think the Bank should no longer have; has the Bank any exclusive privileges out of the Metropolis?—It has privileges so far as this, that it cripples the Country Bankers from enjoying the free exercise of banking in the country.

4526. Does that influence arise from any exclusive privilege that the Bank of England has in the country towns?—I think that in fact it amounts to the same thing as a privilege; a Bank, such as that to which I belong, is not allowed to draw upon London for a sum under 50 l. and there are many other disabilities, which it is unnecessary now to enter into; I would beg leave to refer to the Plan given in, with regard to all that detail.

4527. Supposing that disability were removed, and you were enabled to draw bills to any amount upon London, is there any privilege withheld from you,
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or any privilege granted to the Bank of England, which you think necessary for the proper transaction of your business?—As the law now stands, I conceive that we would not act prudently if we were to issue notes, because our example would most likely be followed by other Bankers, which would lead to an insecure currency, as private Bankers may issue at present without giving security, and as long as this is the case we are thus prevented from issuing notes of our own, and whether it is from these prudential motives or other reason, I conceive that we are virtually denied the privilege of issuing notes by the existing state of the law.

4528. What law stands in your way in that respect?—There is no positive law that stands in our way, but every Banking house has it in its power to issue notes that chooses. In Lancashire there has been so decided a feeling against private Bankers issuing notes, that they have not done so; but if the Legislature were to say that proper security was to be given to the Public by Bankers issuing their own notes, such security as the Public and the Government would be satisfied with, I conceive that we should have the privilege of issuing notes, which at present we must refrain from doing.

4529. You are understood to state that the difficulty in issuing notes at present is, that the Public have not sufficient confidence in Joint Stock Banks or private Banks to take their paper without some additional security being afforded?—The Public have every confidence, I believe, in Joint Stock Banks.

4530. Then why do not they issue paper?—Because the moment that a Joint Stock Bank issued its paper, it would be a signal for other Bankers in the neighbourhood to do the same.

4531. If the Joint Stock Bank paper enjoyed the confidence of the Public, when the other Bankers' paper did not possess it, would you not acquire a monopoly of the issue of paper?—No, because private Bankers giving security might do so. There is a part of the Public, the lower classes of the people, who are not judges of these matters, and I conceive it to be the duty of the Legislature to take care that an improper currency does not take place in the country. When a Bank note is offered to an ignorant man with the stamp upon it, he does not inquire any thing about it, he takes it, and if he has it in his possession when the Bank fails, he suffers that which is to him a great loss.

4532. You mean to say that the state of the law at present with regard to banking is so defective, that no company can issue paper with perfect security?—I conceive that Joint Stock Banks could issue paper with perfect security, but the evils that would be attendant upon an issue of paper by them would arise from a great number of Banks, not very secure, doing the same thing, and that would introduce an insecure currency into the country.

4533. You mean to say that till the law is altered, and a sounder system of currency introduced, it would not be prudent for you to issue your own notes?—I think not.

4534. You have stated that in your opinion the Bank of England ought to govern its issues by the Foreign Exchanges, and constantly watch them and immediately look to its own circulation; do you mean that upon observing either that the rates of Exchange had fallen or were likely to fall, they ought immediately to look to their circulation, and begin to diminish it?—I do. I think it is a misnomer altogether to talk of the Bank of England regulating the Exchanges; I think it is beginning at the wrong end; and that they should take as an index, the circumstance of the Exchanges falling, and money going out of the country, and lessen their issues accordingly.

4535. That is to say, upon observing the Exchanges likely to fall, or actually falling, you think they ought immediately to act so as to diminish the circulation of their notes?—Certainly.

4536. Then you would say that it would not be a right way of conducting their issues merely to look on at a fall of Exchanges, and wait till the Exchanges themselves came into action and operated upon the issues of the Bank?—That is what I mean to say, that they should not wait till the evil has taken place, but that they should prevent it.

4537. What do you mean when you speak of the Exchanges being against the country?—When the Exchanges fall.

4538. How do you ascertain whether the Exchange is against the country or not?—By bills being drawn from foreign countries upon England at a rate of exchange lower than the previous average rate.

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4539. And by gold being drawn out of the country?—Yes.

4540. What do you mean by the Bank attempting to regulate the Exchanges?—I think that the Bank has looked on passively till it has seen gold going out of the country; there is at that time a demand upon it for gold, and then they look to their coffers, and if they are not very well supplied, they diminish the quantity of notes they have in circulation, to prevent those notes from coming upon them to be paid in gold.

4541. Is not that exactly the same thing as the Bank regulating itself by the Exchanges?—What I mean to say is this, that the Bank of England, as a large intelligent body, should always be alive and awake to the state of the Foreign Exchanges, and the moment they see an alteration about to take place, they should regulate their issues accordingly.

4542. If the Bank followed the principle which you consider to be the just one, namely, of regulating their circulation by the state of the Exchanges, does it not follow as matter of course that their action must regulate the Exchanges?—Certainly; afterwards they are instrumental in altering the Exchanges; but the Exchanges depend also upon the quantity of property that is sent out of the country being over or under balanced by the quantity of property sent into the country, and the difference that is to be paid for in gold is what is called the Exchange.

4543. Supposing the Bank of England observe that there is a demand upon them for gold, and that the Exchanges are going against them, and consequently contract their issue, which you have stated you consider to be the just principle, does not that operation of theirs necessarily affect the Exchanges, and is not that a regulation of the Exchanges?—It ultimately tends to regulate the Exchange; but I mean to say that I should take an index from the circumstances I have alluded to, and not wait till the evil has taken place.

4544. Where do you draw the distinction between the two principles, one of which you have stated to be a good one, and the other to be a bad one; the good one being the Bank regulating itself by the Exchanges, and the bad one being the Bank regulating the Exchanges?—Because in the one case you set early to work to prevent the mischief, and in the other case the Bank waits till the mischief has taken place, and then attempts to remedy it.

4545. Then you think that the index which ought to influence the Bank, is the demand for bullion to go out of the country?—Yes, it is one of the indices; it may arise from two causes, from the balance of trade in our favour, or from a profitable exportation of gold at the time; but in all cases the rate of Foreign Exchanges should be its guide.

4546. Then, if the Bank begin to reduce the amount of their circulation at the moment that they first perceive that bullion is drawn out of the country, is not that acting as soon as they possibly can?—I think the Bank of England is to take into consideration the nature of the issues that have preceded that particular period, whether they have been made in advances to Government, or in buying up annuities, or any thing of that kind; they are to take into consideration the whole amount of circulation arising from various causes, and they are to consider the other causes just enumerated, in addition to those.

4547. Then you do not think that the Bank should look solely at the demand for bullion for exportation, for the regulation of their issues?—I think they should look to all the causes together that have induced the Bank to make those issues; they should examine whether the issues proceeded from the wants of private merchants, or from the wants of Government, or from making a bargain about buying up annuities, or any thing else; the whole of the causes should be considered.

4548. Do you think, then, that a case might exist, in which there was a demand for bullion to go abroad, in which the Bank ought not to contract their issues?—I can conceive that the Bank at one time might have more gold than it required, or more gold than it was necessary to keep as a redeeming power, and in that case it is very proper for the Bank to do as any private merchant might do, namely, to sell the overplus of a commodity he has no occasion for.

4549. As the evil to be remedied is a redundant currency, would not you propose that the Bank should take advantage of the first indication of that redundant currency?—I have already stated so.

4550. Would a fall of Exchange precede an exportation of bullion?—I think it would.

4551. Therefore

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4551. Therefore the proper indication would be a fall in Exchange, and not waiting for the actual exportation of the gold?—A fall of the Exchange is only one of the indices I have alluded to; certainly a fall of the Exchange is to be very strictly attended to by the Bank, or any company which has so great a power as the Bank has.

4552. Notwithstanding there has been no great disturbance in the currency or in the commerce of the country in the last five years, do you think that that circumstance is a sufficient guarantee of the country continuing free from future disturbance as to its Banking system?—Certainly not, because the same causes which have existed may exist again.

4553. Has the Legislature done any thing since 1825 to correct the causes of the Panic and the distress of that period?—I have understood that there have been Committees which have been examining into it, and discussions in Parliament upon the subject.

4554. Has there been any Act of Parliament?—I think not.

4555. Do you think the Act of Parliament passed in 1826, with regard to Joint Stock Companies and Branch Banks, and the suppression of 1*l.* notes, was sufficient to remove the causes of the Panic of 1825 and its consequences?—I think not; the Bank of England has given permission, sixty miles beyond London, for the formation of Joint Stock Banking Companies; but while it has given that permission, it has hampered it with certain restrictions, and again it has simultaneously placed Branch Banks in those places, by which means it has extended its own influence.

4556. Supposing commerce generally and manufactures should come again into such a state as might be called a state of considerable prosperity, do you believe that the Banks would again issue their paper without a sufficient degree of precaution, so as to produce again over-trading and its consequences?—I have already stated that probably there might be more prudence; but we have no guarantee and no safeguard against it, and the same thing may take place again, as long as the Bank of England conducts its affairs upon the principle of secrecy.

4557. Is there any principle prevailing now different from what prevailed formerly with respect to Country Banks, to induce them to take such a degree of precaution as to withstand the temptations of a high state of prosperity?—A Country Banker will naturally do the best that he can for promoting his own interest, and there is always an inducement for him to extend his issues; but the Country Banker does not extend them according to the wants of his peculiar locality, he extends them according as he finds a greater facility in obtaining Bank of England notes, and according as he finds the rate of interest low in London at which he can buy those notes; and his conduct is likewise guided with reference to the price at which he can sell them again in the country, that is, the rate of discount in the country.

4558. You have been asked your opinion as to the influence of what is called the well-understood interest of the Bank, upon the conduct of the Bank; may not the object of securing a high dividend sometimes lead the Directors of the Bank to depart from what is really the true interest of the Bank as well as of the Public?—Yes; I conceive that the Bank of England, like every other community, has a desire to make money, and the Directors or Managers have a desire to do the best in their power for the proprietors.

4559. Has not the object of making considerable gains been pretty successfully pursued in the last 30 years?—I have understood that the Bank of England has been very successful, having made very large dividends in the shape of interest, and besides paid very large bonuses to its proprietors within the last 30 years.

4560. You have stated with reference to the Panic of 1825, that you, as well as other merchants, were severe sufferers, and you attribute that Panic in a great measure to the conduct of the Bank of England; are you of opinion that if the affairs of the Bank of England had been published at that time, and for some time previous, as well as the issues of Country Banks, you and other merchants would have been enabled, from your knowledge of the state of the circulation, to have avoided a good deal of loss which you sustained?—I think we would, I think the country would have remonstrated against such sudden extensions of the issues of the Bank, and such sudden contractions; we would at all events have been put in possession of the circumstances which guided the Bank at that time, and we

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would have been able to form a better estimate of what was about to take place, than we were able to do under the system of secrecy with which the affairs of the Bank were conducted.

4561. Then you think that the knowledge of the circulation which would have been conveyed to you by the publication of those Accounts, would have enabled you better to regulate your speculations at that period?—I think so, because, according to the present system, there was a great deal of fluctuation which might, in my opinion, have been avoided.

4562. Do not you think that if you were informed of the amount of Bank paper out from week to week and from month to month, and if you were unacquainted with the circumstances connected with their issues at a particular time, you might be frequently misled by the mere knowledge of those figures, without knowing the other circumstances which might render the amount of issues justifiable at one period under one set of circumstances, and totally unjustifiable under other circumstances; might not that information frequently tend more to mislead than to guide you?—Certainly; as I would in that case be only half informed, I could not form a good opinion.

4563. Do you agree in the opinion that the Public in Lancashire have suffered much from over-trading and speculation, in consequence of the over-liberal accommodation afforded by the Banks in that part of the country?—I do, decidedly.

4564. Is it your opinion that the loss so occasioned to the Public is greater than any loss that the Public have suffered from the failures of the Banks themselves?—Much greater; I would say that besides the loss that was sustained by the facilities which the Banks in Lancashire had of procuring money, that it was much increased by the sudden contraction on the part of the Banks. There were two operations, there was, in the first place, the great facility of procuring money, which led to advances being made by Bankers; and then the Public were called upon sooner than they expected to pay up this money, because it was understood that the bills would have been renewed from time to time; this the Bankers were willing to do as long as they had the facility of discounting bills or procuring money at a rate of interest that suited their purposes; but the moment the private Bankers did not find it their interest to go on with the same system of discounting during the Panic, that is, when there was a difficulty of finding cash notes, they immediately said to all their customers without exception, You must realize your property, and pay us; and the consequence was, that as at the time when they borrowed the money the price of commodities was high, and at the time when they repaid the money the price of commodities was low, a great many failures took place, and a great amount of property was lost.

4565. Are your observations confined to the district of Lancashire, or are they generally extended to the whole of England?—Being in the habit of reading the newspapers, and having correspondents in different parts of England and abroad, I knew a good deal of what was going on in other places.

4566. Is it your opinion that the same system was carried on in other parts of England, which you consider was so injurious in Lancashire?—I should suppose that it was done in other parts of England, but not to the same extent.

4567. You have stated that well-laid and judicious schemes of merchants are often done away in consequence of the fluctuation of Bank of England paper; may not those failures and losses be attributed in some instances to the want of judgment in the merchant, or a desire of over-trading and speculation on his part, as well as to the conduct of the Bank of England?—A merchant may think that he forms a judicious plan, when it happens to be an injudicious one, and if the merchant does not succeed in establishing a proper foundation for his scheme, of course that scheme will prove abortive.

4568. If great mischief does arise to the Public from an over-issue on the part of the Bank of England, would not the same mischief arise to the Public from an over-issue of Joint Stock Banks?—Certainly not, even if the over-issue was to the same extent; but my doctrine is, that no such over-issue would take place upon the part of such Joint Stock Banks, because they will attend to the wants of their localities, and they would not issue beyond those wants.

4569. Then the accommodation that would be afforded to the Public from Joint Stock Banks, would be, in your opinion, confined to the localities in which they are situated?—We have already given in our plan of the best mode in which

which we think Joint Stock Banks should be regulated; we are not in favour of their being very much extended.

4570. You have stated that there is great security in the system of Scotch banking, from the weekly exchange made between the Banks of Scotland with one another; are you not aware that the same system of weekly exchanges is practised by all Country Bankers in England, that issue notes?—I have no particular information upon the subject, but I should think that it did take place.

4571. That being the case, is there not the same security for the existence of a sound system of Banking in England as in Scotland, if you consider that circumstance to be the great security in Scotland?—No, because in England private Banks are managed by one individual, or by two or three individuals; in Scotland, the Banks are managed by a Board of Directors, and among the Directors there are generally some sensible well-informed men, who look to all the bearings of the conduct of the Bank, and therefore they are generally managed more prudently than a private Banker, who may frequently be seduced to over-issue for the sake of gain. I can conceive that in a small town in England there may be two weak Bankers, and that both may over-issue beyond what may be prudent, but I think that in Scotland, from the system of Joint Stock Banks there having large capitals, and giving sufficient security to the Public, there is a protection which does not exist in the case of individual English Bankers.

4572. If there are two weak Banks, and those two Banks have to make weekly exchanges among themselves, will not that act as effectually to prevent an over-issue of paper by one or other of those weak Banks, as it would do by the Joint Stock Banks in Scotland?—Certainly not, because they may both over-issue, and to nearly the same extent; their issues in one week may be 50,000 *l.* each; if they are 50,000 *l.* each, there is no difference to account for.

4573. If there is any difference to account for, must not they have recourse to their London correspondents in the same way as the Scotch Banks?—Unquestionably so.

4574. It has been stated that the Branch Bank at Manchester refused to advance 20,000 *l.* to your Bank at Manchester at a certain period; had you had accommodation from the Bank of England at that time by the discounting of bills?—The Bank of Manchester never applied for any advances from the Branch Bank of England, it only applied for discounts. I do not recollect whether we had discounted immediately before that time; we had been in the habit of discounting from time to time. I suppose that we must have discounted very recently before that period, from the expression made use of in the account given of the transaction by the Manager.

4575. Do you not think they were influenced by reference to the amount you had under discount at the time?—I should think, from what the Governor of the Bank told us, that he had no doubt whatever of our security; I do not suppose it ever entered into the contemplation of the Manager of the Branch Bank, or the Governor of the Bank of England, to doubt the securities we gave in.

4576. You have stated that your whole objection to the Bank of England did not consist in considering its effect in producing fluctuations; what other objections have you?—I think the Bank of England should have no privileges that are denied to other Banks; I think that all Joint Stock Banks should be put upon the same footing.

4577. Do you think it advisable that any Joint Stock Bank should by the interference of Government have such a large capital as the Bank of England has?—I advocate a free trade in Banking as well as in every thing else; but I think it is a misfortune that the Bank of England has so large a capital, and that Government should not give encouragement to the institution of any other Bank, with so overwhelming a capital.

4578. Must not a Company with such a capital have a power inconsistent with the perfect system of trade?—It is the case, certainly, that the overwhelming capital of the Bank of England may operate injuriously on other Banks.

4579. May not the Bank of England now issue paper to their Branch Banks at a loss, and not according to sound commercial principles of competition with other Banks acting upon such a principle?—I do not know any law to prevent the Directors of the Bank of England from doing what they choose; they may

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either reduce the interest to two and a half per cent., or they may raise it to five per cent.

4580. Have they this power over the general currency of the country?—I conceive that the Bank of England at present has so great, so overwhelming a power, that it regulates the monetary system altogether, and the rate of interest and other things.

4581. Could that power exist if the same description of business was divided amongst a number of Companies conducted upon a system altogether free?—Certainly not; the power which was thus divided, could not be so great as when it is concentrated.

4582. To what amount would you be disposed to limit the capital of any Joint Stock Company?—I have said before, that with regard to the formation of Joint Stock Companies, I should leave it to the wisdom of Government. I think that in every large community, a Bank proportionate to the wants of that community should be erected.

4583. In your opinion, is the capital of the Bank of England more than commensurate with the wants of so immense a commercial city as London?—I think that the wants of the City of London might be supplied in a different manner, and with more advantage than they are at present.

4584. Under a free trade system of Banking, in case of the merchants of London choosing to subscribe among themselves a capital equal to that of the Bank of England, would you see any objection to that?—I am not in favour of a monopoly in Banking; I have stated that I think it should be left to the wisdom of the Legislature to determine the circumstances under which new Banks should be established; the chief thing we have to guard against is, generally speaking, too small a capital, and we are therefore for having a minimum; but with regard to a maximum, we have not considered the subject.

4585. What is the minimum you propose;—One hundred thousand pounds; but we do not mean that a capital of 100,000 *l.* is at all fit for such a town as Manchester, we only mean that in a small town no Joint Stock Bank should be permitted to have less than 100,000 *l.*

4586. What do you think ought to be the minimum of capital in the Metropolis?—I have stated before that we wish to leave that to Government. I have not given it much consideration, but I should think that in such a town as London there should not be less than a million of money.

4587. Is it your plan, that in each particular place the Legislature shall limit the number of Banks to be established, and decide upon the capital that each Bank is to employ in such place?—I should think that the Legislature would act in this sort of way, in a town such as Manchester. If application were made to have a Joint Stock Bank erected, having only 50,000 *l.* of capital, it would say, Such a capital is quite insufficient, and we cannot allow a Joint Stock Bank to be formed with so small an amount of capital in Manchester.

4588. Suppose they decide that 50,000 *l.* is too small, and that 200,000 *l.* is the proper amount of capital for that Bank to have, should you propose that the Legislature should exercise any discretion in preventing another Bank with a like capital being established in that place?—No, certainly not; I propose that Banking should be left free in different towns in England, just as any other trade is left free; but that in the event of Banks issuing notes payable on demand, the restrictions to which I alluded should be attended to, viz. that private Banks should find security, and that Joint Stock Banks should only be allowed to issue in proportion to their paid-up capital.

4589. As you are prepared to fix a minimum, are you prepared to fix a maximum of the capital which each particular Bank should be allowed to employ?—With regard to the amount of the maximum we have not considered it; and as the greater the amount of the capital is, the greater is the security to the Public, I should think it would not be very desirable to be very nice about the maximum.

4590. Are you aware that the capital of the Bank of England is not generally applied to purposes of banking?—Yes, I am aware that it is lent to Government.

4591. Is it not true that the use of the capital of a Bank is more for the purpose of giving the Public security, than for the purpose of any employment to which that capital can be applied?—No, I am not aware of that.

4592. Is not the business of Bankers rather to use money deposited with them, than to employ any positive capital of their own in the business of banking?

—I consider

—I consider that the capital of the Bank of England is lent to Government, and that as long as the Government is considered secure, it does not want its capital, but that the money it issues is issued upon its circulating credit.

4593. With respect to the Joint Stock Banks, when you speak of a maximum and a minimum of capital, do you not refer to the security which those institutions would offer to Government, and not to any use to be made by those institutions of the working capital they have?—I think not; that a Bank shall be possessed of at least the minimum amount of capital is for the purpose of affording assurance to Government and the Public of its safety; but the capital would be necessary for carrying on the business of the Bank, and the knowledge of its having this capital, together with the liability of the private property of the partners, would procure credit to the Bank for its issues.

4594. If the Bank of England has all its capital lent to Government, has it any means of overwhelming other Banks with capital which it has no power to use?—It gets credit in consequence of its large capital.

4595. Were the Government to establish a National Bank, would it require any capital at all to conduct it?—That would depend upon whether it paid its notes in gold or not.

4596. If the trade in banking was perfectly free, would not the competition of Bankers render it unnecessary to provide for any particular amount of capital on the part of any new Bank?—No; I should think that every new Bank would have to be well looked after; if it were to issue notes, it would be ascertained that it had a proper amount of capital, when it found security for its issues.

4597. In Scotland, has not the system of banking been brought to its present perfection without any regulation as to the amount of capital that the Banks should have?—That has been the case, but I believe the banking business is better understood in Scotland than it is here. The chartered Banks in Scotland must have a certain amount of capital before they can obtain a charter.

4598. Has not the principle of competition of strong Banks running against weak Banks been the great means by which weak Banks have not been suffered to be established in Scotland?—Weak Banks circulating their own notes, could scarcely stand in competition with strong Banks.

Veneris, 20^o die Julii, 1832.

THE RIGHT HON. LORD VISCOUNT ALTHORP, IN THE CHAIR.

George Grote, Esq. called in; and Examined.

4599. YOU are a Banker in the City?—I am.

4600. Have you ever considered what alterations it would be expedient to make upon the renewal of the Charter of the Bank, in the management of their concerns, as between them and the Public?—I have bestowed some consideration upon the subject; and there are some alterations which, in my opinion, are advisable. One, particularly, is a more complete publication of the Bank affairs than has hitherto been permitted. It strikes me that the Public are kept too much in the dark as to the management of the Bank, and that fuller communications on this subject would materially contribute both to strengthen the general confidence in the Bank, and to improve the management of the Bank itself.

4601. Will you state what advantages you think would attend the publicity of their Accounts, and to what extent that publicity ought to be carried?—It appears to me that if the Bank were compelled to publish, at frequent and stated periods, such documents as would afford to the Public a complete insight into their affairs at each time of publication, they would be compelled to lay down some uniform, definite, and intelligible rule for determining the fluctuations in the amount of the circulating medium, and to adhere to that rule without deviation. The Public, on the other hand, would understand the rule, and would be prepared before hand for its operation, so that their anticipations would be properly adjusted to the real sequence of events, in this important department.

4602. You think the rule should be explained to the Public; and that by the frequent

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James Burt,
and
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Esqrs.*

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*George Grote,
Esq.*

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1832.

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Esq.

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1832.

frequent publication of the Bank Accounts, the Public should be enabled to judge how far the Directors adhered to that rule?—I think so.

4603. In the Accounts to be published, would you include the amount of its bullion?—Most decidedly; I should think that quite essential.

4604. Do you think they could form any notion of the degree to which the Bank adhered to the rule so laid down, without the publication of their store of bullion, together with their other Accounts?—I think that unless the Public is made acquainted with the store of bullion existing at the Bank at each of the frequent periods to which I have alluded, no full, true and satisfactory idea can be formed by them of the actual condition of the Bank, or even of the real amount of effective circulation, the reserve of bullion being always to be taken as a deduction from the nominal amount of notes out at the time.

4605. You think that publicity would be advantageous, as enforcing upon the Bank the necessity of acting upon an uniform principle?—That would be one important benefit which it would ensure, and which cannot be ensured without it.

4606. Do not you think they would be less liable, under those circumstances, to be influenced against their own judgment by the Government of the country?—I think they would be decidedly better able to resist any solicitations upon the part of the Government, assuming that those solicitations were improper to be complied with.

4607. Do not you think publicity would be advantageous, as preventing many of those drains upon the Bank which have occasionally taken place?—Coupled with prudent management, I think it the best and most effectual protection which can be afforded against drains. Of course it is possible to imagine a case of such wide-spread antipathy and alarm, that the Bank may be drained of its gold under any system; but I think it much less likely to happen when the Public are at all times, in periods of quiet and prosperity as well as in periods of agitation and distress, fully acquainted with the management of the Bank, and with all the particulars of its actual and comparative condition.

4608. The circumstances under which drains take place upon the Bank, have been classed under these three heads—first of all, that the bullion may be drained from the Bank at times of an unfavourable foreign exchange; secondly, at periods when the Country Bank paper, owing to an over-issue, has fallen into discredit; and thirdly, when from any political excitement parties may be desirous of distressing the Bank as a part of the Government of the country; do you think that the danger arising under those three heads, of exhausting the treasure of the Bank, would be increased by a publication of their treasure?—My opinion is, that the danger would not be increased under either of those three heads; I think, on the contrary, that it would in all probability be lessened, because the Public would already have had an opportunity of forming a decided opinion, with respect to the perfect solvency of the Bank, in quiet and undisturbed times; and their minds would be in a better situation for resisting the effect of any undue alarm at a particular moment, than they would be if you suppose a state of alarm to supervene without any pre-established habits of judgment, or without any previous full and copious information upon the subject of the Bank. I imagine that if there were from time to time complete accounts published, exhibiting the state of the Bank, the Public would acquire a sober and settled habit of appreciating that establishment as it deserves, and that that habit would still continue, even at any particular juncture, when the actual accounts might represent its existing stock of bullion as greatly reduced, compared with what it had been and with what it was usually.

4609. It has been objected to the publicity of the Bank, that there may be large capitalists who wish to speculate upon the prices of gold, and who may derive advantage possibly from distressing the Bank; and that if publicity were given to the state of their treasure, these capitalists would be more able to act upon that treasure by the knowledge which that publicity would give; do you anticipate danger from any such cause?—I do not anticipate any increased danger under those circumstances, from an exact report of the actual amount of bullion; because, at the time when such capitalists are supposed to be likely to form the idea of distressing the Bank, it is always perfectly known, even under the present system, that the stock of bullion is peculiarly low, although the Bank may withhold a knowledge of its precise amount; and it appears to me that the general knowledge of there being an unusually low stock of bullion in the Bank, coupled with such farther discoveries as an inquisitive capitalist might arrive at even under the existing arrangements, would be information sufficient to enable him to execute his

his scheme of distressing the Bank, if that be really his object. I do not, therefore, think that the publication of the amount of bullion in the Bank would afford any new means for the accomplishment of the purpose supposed; but I feel persuaded, on the other hand, that the general alarm which such a design could not fail more or less to create, would be very much mitigated by the established habits of judging, which I suppose to be implanted in the Public mind, by the constant publication of the Bank affairs. The Public would be less affected by even the greatest temporary inconvenience which could be brought upon the Bank, if they were in the constant habit of receiving official reports, enabling them fully to understand all the fluctuations in its affairs.

4610. It has been objected, that in times of commercial discredit, if at the same period the treasure of the Bank appeared to be low, it would render the Bank more timid, and less inclined to assist the commerce of the country with large issues at such periods of commercial discredit; would you anticipate much evil from that cause?—I should not anticipate that there would be any timidity occasioned on the part of the Bank by a system of publicity, more than would be perfectly reasonable and proper. Under the circumstances supposed, it would be essential that the Bank should contract their circulation, in order to make preparation against the drain which the supposition assumes to be likely to ensue.

4611. Are you aware whether in 1825, when the treasure of the Bank was reduced extremely low, the Exchanges were or were not turned in favour of the country, at the time when the Bank made very large issues for the purpose of relieving commercial distress?—The nature of my business does not lead me to be particularly conversant with the state of the Foreign Exchanges; but as far as my recollection goes, I should say that the Exchanges had turned at the time when the Bank of England opened its coffers, and was so liberal to the Country Bankers, at the end of 1825. It could hardly have been so liberal, if the Exchanges had not already turned, without endangering the convertibility of its paper.

4612. Do not you think that a publicity of the Accounts would be the most effectual means that could be taken to prevent the recurrence of any such drain upon the Bank's treasure as occurred in 1825?—I think that publicity would contribute materially to prevent the recurrence of such a calamity. If the Bank Accounts had been published in 1824 and 1825, the Directors could not have been imprudent enough to maintain, in the face of Exchanges unfavourable to the country for some months, an increased amount of issues; they would have been compelled not only to abstain from increasing their circulation, but to begin the contraction of it at an earlier period; and had they acted in this manner, the commercial revulsion at the close of 1825 would have been less extensive and calamitous than it actually was.

4613. If it were thought inexpedient to disclose the treasure of the Bank as it stood at the exact moment of the report, would not a retrospective publication of their treasure, after an interval of three or six months, to a certain degree afford light as to the management of the Bank itself, and be better than no publication at all?—I think it would be better than no publication of the treasure at all; but I should not anticipate that such a retrospective publication would have the effect of conveying to the Public that full assurance and satisfaction which appears to me to be one of the eminent benefits of present publicity; at the same time I am certainly of opinion that it would be better than no publication at all.

4614. In case of a run upon the Bank from political excitement, would not this be a very considerable check upon the Public carrying that run to a great extent; that all who convert their property into Bank notes, in order to make demand upon the Bank for payment, would risk incurring heavy loss by selling whatever securities they possessed at a considerable discount, in consequence of the presumed reduction of the currency of the country at the time?—I should imagine that at such a period there would be a fall in price in all productive securities, because the Bank would of course be under the necessity (assuming the period to be one in which a drain was likely to approach them) of selling a certain portion of their productive securities, which would tend to lower the price for other persons to sell.

4615. You think, then, that as far as it may be the interest or wish of any individuals to operate upon the Bank treasure at periods when it is unusually low, the reduction of the treasure is sufficiently a matter of notoriety at present for persons so disposed to take advantage of it?—I believe it to be quite sufficiently notorious for that purpose. If such persons, in drawing treasure from the Bank, are actuated by views of profit, they will of course carry their operation to the extent

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to which it is profitable, and will draw away the remaining half million or million of treasure, (assuming that there is a profit in doing so) whether they know that to be the whole stock of the Bank or not. But if the case be put, that the parties in question draw away the treasure with the simple view of distressing the Bank, and without any view of profit to themselves, it then appears to me that an unusually low state of the Bank's treasure at particular moments is sufficiently notorious and ascertainable to enable them to execute the scheme as easily as they could do under a system of perfect publicity.

4616. If the Legislature called upon the Bank to make a publication of its Accounts, including the state of its treasure, should you think it a *sine quâ non*, or should you think it a necessary consequence, that all the private Banks of issue should also publish their Accounts?—Publicity of the affairs of private Banks of issue would be an additional benefit to the Public, and would be of eminent service in assisting the Bank to judge of the drains likely to ensue upon their coffers from disturbances in the country circulation. But I am of opinion that much benefit would still result from the publicity of the Bank Accounts, even if there were no similar publicity on the part of the Country Bankers, though not by any means so great as if returns were called for from all. If the Accounts of the Country Bankers were withheld, unquestionably the Bank would be deprived of a most important piece of information with reference to the regulation of their own issues, and would be compelled to keep a greater average reserve of bullion, as a general protection against drains from the country, the probability of which they would have no means of accurately estimating.

4617. You would think it, then, advantageous that there should be publicity of the Bank of England Accounts, even though the Country Bankers were still to keep the amount of their treasure and issues secret?—I think it would be advantageous.

4618. Is there not this distinction between the issues of Bankers in notes payable after date and in notes payable on demand, that in one case the Public may demand payment of all the notes payable on demand at the same moment, whereas the notes payable after date would become due successively; and would not therefore greater danger be incurred from the Country Banks operating upon the Bank of England through the medium of notes payable upon demand, than can arise from the notes payable after date?—I should think, decidedly, that there would be greater danger of a drain coming from notes payable on demand, and all capable of being presented at any one moment, than would arise from a similar issue of notes payable after date.

4619. On that principle, therefore, of the greater danger to the Bank of England arising from notes payable on demand, may not the Legislature with more reason require an account of the notes payable on demand than of the other description of issues by Country Bankers?—There appears to me to be a distinct ground for the Legislature to exact a publication of notes payable on demand, which does not exist for the publication of notes payable after date. There is also this further reason, that notes payable on demand pass into the general Public more extensively and completely, and go from hand to hand with great rapidity, even among persons who are strangers to the issuing Bank. A Banker who in that manner becomes a dealer with the Public in general, and whose responsibility must be trusted by unassignable individuals with whom he has no specific connexion, and who have neither time nor opportunity to investigate his circumstances, ought to be called upon, and may reasonably be called upon, to furnish peculiar security in the way of publicity.

4620. You have stated that one of the advantages of publicity would be, to increase the confidence of the Public in the Bank of England; do you think there is any want of confidence at the present time in the Bank of England?—I think there is a general ignorance, as well as a consciousness of ignorance, an absence of all settled and deliberate habits of reasoning, on the affairs of the Bank. And although at the present moment no want of confidence exists, yet that want of confidence is much more easily created in moments of distress and alarm, than it would be under a system of continuous publicity, when the real condition of the Bank could not be either mistaken or misrepresented.

4621. Do you think that the want of confidence which you say is generated at moments of alarm, is want of confidence in the solvency of the Bank?—It is a general want of confidence, not built upon any positive ground of apprehension. If you were to put the question to any person under that state of alarm, he probably

would

would not be able to explain his feelings very correctly, or to define what it was that he distrusted; but there would be, nevertheless, that degree of distrust which would lead him to go and present a note to the Bank for payment. It is of the essence of that mistrust which arises from want of information, to be vague and undefined.

4622. Then, when you say that confidence in the Bank would be increased, you mean to say that the confidence in the convertibility of its paper would be increased, and not to apply it only to the confidence of the management of the Bank?—I think confidence in all points would be increased, confidence in the convertibility of its paper on demand, confidence in the general good management of the Bank, and confidence in its being managed upon some uniform and systematic principle, of which at present the Public know nothing.

4623. You have been examined as to what effect the publicity of the amount of bullion would have upon large capitalists who are more likely to understand what the nature of banking transactions is; what do you think would be the effect of the publication of the amount of bullion in the Bank, upon persons of a different description, upon the Public generally, who have not turned their attention to the affairs of banking?—I imagine that the effect of a constant publicity would be to induce a considerable portion of the Public to watch the management and regulation of the Bank during quiet and flourishing periods, and I think their opinion respecting the Bank would be fully settled during those times, when their judgment is sedate and undisturbed, so as not to be shaken when causes of agitation and alarm supervene. And it appears to me that this same alteration in the habits of judgment of the Public, would happen both with respect to the commercial and to the non-commercial classes.

4624. If it should appear upon the first publication of the amount of bullion in the hands of the Bank, that the stock of bullion did not amount to more than one-third of the liabilities of the Bank, though that would be perfectly satisfactory to persons understanding banking affairs, would it not have a tendency to create an alarm on the part of the Public generally?—I do not believe, myself, that it would; but I cannot help thinking that even if that effect were to ensue, it would be no reason against publicity, because, if it be supposed that the Public at this moment believe the Bank to be a bank of deposit similar to the banks of Amsterdam and of Hamburg, and that Bank notes are bullion notes, representing an equal amount of bullion actually in the vaults of the Bank, it appears to me that the sooner they are disabused of such an error, the better; and the sooner preparation is made for showing them that even in quiet and prosperous times, and when every person is disposed to place confidence in the Bank, that even in these best times there is no more bullion in the Bank than is adequate to discharge one-third of its liabilities. If the Public were familiarised with this idea during the periods when commerce is flourishing, and when nobody is liable to mistrust, they would perceive that they are not much better secured at those times, than they are at others, which are considered as periods of alarm; that really there never is, even in good times, bullion enough in the Bank to discharge more than a certain proportion of its notes, and that there always is, even when bullion is low, something amounting to very near to the like proportional security; and that the Bank is never more than provided, even in the best times, against what may be considered as the probable and reasonable demands of the actual moment.

4625. What would be the effect, in the case of a publication of the Accounts of the Bank, of an internal drain arising from political causes, unconnected with commercial discredit; would not the publication of the amount of bullion in the Bank have a tendency to increase the demand for gold in such a case as that?—I do not imagine that it would have that tendency; assuming the publication, as I do, throughout, to be continuous, and the facts not announced then for the first time.

4626. If the political cause which produced the run, was a wish on the part of the Public generally to drain the Bank of its treasure, would not the publication of the amount of bullion in the Bank have a tendency to increase that demand?—I have already replied in part to that question, by saying, that it is now perfectly notorious, or at least sufficiently notorious for the purpose, when the treasure in the Bank is peculiarly and unusually low, and that that notoriety is quite sufficient to occasion as heavy a drain as a promulgation of the exact stock then in the Bank could occasion.

4627. Do you think that that fact is notorious beyond the circle of those who are generally concerned in commerce and in banking?—Much beyond that circle.

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The treasure of the Bank is never unusually low, excepting when there has been a state of considerable contraction of the currency and distress for money, so as to excite a great deal of talk every where; and I think that that distress will have been chiefly felt among the smaller traders, who form the body of the London Public, and who are always the first to suffer by a contraction of the circulating medium. Reports of diminished treasure in the Bank are pretty sure to be widely circulated at such a moment, and readily credited.

4628. You have stated that you think the Bank could not have been so liberal at the end of the year 1825, without endangering the convertibility of its paper, unless the Exchanges had become favourable to the country; do you think that the Bank did endanger the convertibility of its paper at that time?—I can only speak on that point except from the general report, which was then current, as to the very low amount of treasure in the Bank at the crisis of December 1825; but assuming that report to be correct the Bank must certainly have run the greatest risk of a suspension of cash payments.

4629. Would it, in your opinion, be right for the Bank, in circumstances similar to those of that panic, to give liberal assistance to trade, notwithstanding the Exchanges were unfavourable to the country?—In my opinion, not right; inasmuch as it could not be done without coming almost certainly to a suspension.

4630. Do you think a Bank of such large capital and credit as the Bank of England, would not be justified in a case of commercial difficulty similar to that at the conclusion of 1825, to run very great risk of the convertibility of its paper, in order to support the commercial interest of the Metropolis?—I cannot say that a case might not be conceived in which it might be their duty to do so, but nothing short of the strongest possible case of emergency and distress could justify them.

4631. If the Bank had not been liberal in its accommodation at that time, would not the effect have been to have increased very much the difficulty and the calamities that occurred?—Unquestionably it would have materially increased the distress of the country, if the Bank had not been liberal at that moment.

4632. But yet you think it would have been advisable, rather than run any great hazard of suspension of cash payments, that they should have allowed the distress so to increase?—It is my belief that the Bank of England ought not to incur a great chance of suspension, for the purpose of protecting the commercial world from any thing short of the greatest ruin. Where there are two evils, between which a choice must be made, the question must be determined in each particular case by the circumstances as they then stand. On either side the evil is very great, and I cannot deny that there might be a case in which the distress of the commercial world might be a greater evil than even the actual suspension of cash payments; but I conceive that case to be very unlikely to occur.

4633. Do you think that the Bank of England can safely publish its Accounts, without the publication of the Accounts of all other Banks of issue?—It might publish its Accounts with perfect safety, whether other Banks published or not. The want of publicity on the part of other Banks of issue would only impose upon the Bank Directors the necessity of keeping in mind that there was a certain amount of provincial demand to which they might be exposed, from causes foreign to their own management; and they would thus be obliged therefore to keep a somewhat larger average reserve of bullion; that would be the amount of the difference.

4634. Would a publication of the Accounts of the Bank of England, without a similar publication by private Banks of issue, have the effect of enabling the private Bankers to manage their own affairs better?—I think it would, because in that case, as the rule according to which the Bank proceeded would be perfectly understood, they would know at what time to expect a contraction of the Bank's circulation, and at what time to expect an enlargement.

4635. Would not that tend to diminish the danger to the Bank of England from the issues of country paper?—It would undoubtedly have that tendency.

4636. Do you not apprehend that if private Bankers were compelled to publish the amount of Cash and Bank notes in their possession, considering that their capital is much smaller than that of large Joint Stock Banks, it would put them in danger from the operations of larger rival Banks?—Not in any greater danger than they are at present. It is generally known now to all the rivals of a small Bank, that its capital is very small; and the publication of the facts respecting that Bank, provided it were in a satisfactory full state of solvency, would show a perfect proportion

proportion between its liabilities and its means to meet them. Such a disclosure, far from aggravating any undeserved mistrust of the small Bank, would rather tend to increase public confidence in it.

4637. You have stated, that one of the advantages of publication of the Accounts of private Banks would be, that it would give information to the Directors of the Bank of England, that they might regulate their affairs accordingly; would not the publication of the paper issued by private Banks, without compelling them to publish their assets, answer the same purpose?—It would not answer the same purpose, but it would be useful as far as it went.

4638. Why would it not answer the same purpose?—Because it would be highly advantageous that the Bank should know what was the existing stock of bullion in the country, over and above what there was in its own coffers, to meet any contingent provincial demand. If the stock of bullion in the coffers of the Country Banks is returned from time to time, the Bank of England will know when it is larger than their idea of the demands likely to arise against it, and when it is smaller, and they will be able to adjust their own stock of bullion accordingly.

4639. You were understood to state, that you think that a publication of the Accounts of the Bank of England would be advantageous to the Bank of England, even more than it would be advantageous to the Public, that is, that the benefit derived from it would chiefly be, to enable the Bank of England better to regulate their transactions?—It would be advantageous to the Bank of England, inasmuch as it would ensure to them the exact reputation which they deserve, and rescue them from any imputations and suspicions which are really unfounded. It would be advantageous to the Public, inasmuch as the uniformity felt in the conduct of the Bank circulation, which it would produce, would be felt as a great benefit by the Public.

4640. Do you think that the advantage of the Public, and the advantage of the Bank of England, which is a Bank having exclusive privileges, would be best consulted by a publicity of their Accounts?—Yes.

4641. Do you think the same publicity would be necessary on the part of Country Bankers, who claim no exclusive privilege?—In my opinion, the publicity of the issues and reserves of Country Bankers would not be so essential and indispensable as the publicity of the Bank of England Accounts, because Country Bankers are not one body, but a vast number of separate bodies, each individually of little importance, and it is from the sum total of them that the importance to the country arises of the good or evil management of their circulation. But on the same principles on which it would be a benefit that the Bank of England Accounts should be published, it would be decidedly an additional benefit that the Country Bankers circulation should be published also.

4642. Do not you consider it impossible for any Country Banker to keep a sufficient quantity of bullion by him to answer all the liabilities even for his amount of issue?—I apprehend every person who deals with a Country Bank understands that that Country Bank does not keep in its coffers a stock of bullion equivalent to the total amount of its circulation at any moment, but that it only keeps what is equivalent to the reasonable and probable demands of the moment, and no more; and if that Country Bank has besides a proper amount of productive securities, ready to be converted at a short notice, it will be considered as adequately provided and perfectly trustworthy; therefore I think that no unfavourable impression could arise if on publication it appeared that the stock of bullion in the coffers of a Country Bank was not more than adequate to one-third of its liabilities.

4643. Would you recommend, then, the publication of the whole available securities of a Country Bank to meet any extraordinary demand for gold in payment of its liabilities?—The publication of the total of such securities would be beneficial, certainly, but I apprehend it would not be considered essential.

4644. As banking must naturally be considered very much a system of credit, would not the publication of those private concerns tend materially to injure the credit of any person carrying on the business of a private Banker, inasmuch as it would be impossible for any person carrying on that business to have that immediate available security for the payment of his liabilities that the Public might expect?—I think that no Bank which deserved good credit would be injured by any such publication; though a Bank which did not deserve good credit might be injured by it.

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4645. You have stated that the publicity of the Accounts of the Bank of England would ensure a constant, uniform, systematic principle of management with respect to the circulation; will you state what you consider would be the best uniform principle of management that could be adopted by the Bank of England?—I know no other suitable test for the Bank of England to be guided by, than the state of the Foreign Exchanges; that is my idea of the rule according to which the Bank of England ought to administer their circulation.

4646. You have stated that you considered that the distress in the end of 1825 was attributable in some degree to the conduct of the Bank, and also that if there had been publicity, that state of things might probably not have occurred; do you believe that if there had been publicity for some time previous to the end of 1825, it would have been in the power of the Bank to have assisted the commercial community as much as they did at that time?—Under the system of publicity I think the Bank would have been better able to render assistance during the distressing period of 1825, than it actually was, because publicity would have restrained the Directors from extending their issues during the months anterior to the distress, when the commercial world was in a state of artificial excitement, when the Foreign Exchanges was against them, and when gold was already departing from the country, so as to afford distinct evidence that the circulation was redundant, without any increased issue on their part.

4647. You have stated that you consider it dangerous for a Bank, such as the Bank of England, to assist the commercial community to a great extent, if such assistance placed it in danger of being obliged to suspend cash payments; do you conceive that at the end of 1825 the assistance rendered by the Bank did place it in any danger of suspending cash payments?—Upon that fact of course I only speak from report, because I cannot pretend to have any information upon which I can perfectly rely as to the actual amount of bullion in the Bank's coffers in December 1825; but if the reports which were current among the Public, as to the amount of bullion, are correct, unquestionably the Bank must have been in the greatest hazard of suspension.

4648. If at the period that the Bank afforded great commercial assistance by an increased issue of its paper, the Exchanges had already turned in favour of this country, would the Bank justly be said to have run a risk of suspending its payments by affording such assistance?—All which can be remarked upon that supposed case is, that the Bank did actually take a great risk upon itself, and that the risk turned out in its favour; the Directors ran the matter very close to a suspension, and fortunately escaped it, the event might have been otherwise. Their conduct at the crisis of 1825 is of course to be considered as having been liberal and daring, but as judicious and proper also, because they certainly did very great good by the assistance they rendered to the commercial world, while they escaped the hazard of that evil which alone would have constituted the balance against such assistance.

4649. Putting out of the question their previous conduct, which reduced them to a state of great danger, and supposing only the fact, that when they were called upon to assist the commercial world by their issues of paper, the Exchanges had turned in favour of this country, do you conceive that they exposed themselves, under those circumstances, to any danger by those increased issues?—Inasmuch as there are two sources from which the drain upon their treasure may arise, the one internal, and the other external, they doubtless braved the risk of increased drain from the internal source at the time when they extended their issues in that way to the commercial world. Upon that point I should remark, as I did before, that they took the hazard, and the hazard turned out in their favour; the case would be like that of a private Banker, who at the time when his own credit perhaps was in danger, should yet lend assistance to certain friends, taking the hazard of things turning out better than they promised to do at the moment. If such his favourable possibilities were realized, he would have done the good, and avoided the evil; but nevertheless it would be true that he had braved the hazard of failure to himself.

4650. Do you conceive there was in fact any hazard, supposing the Exchanges had then turned in favour of this country?—I conceive that there might have arisen an increased demand for gold from internal circulation, arising from the discredit of the country notes at that moment, which would have drained the Bank of the stock of bullion then remaining, even although the Foreign Exchanges might already have turned in its favour.

4651. Was

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4651. Was it not more likely, in your opinion, that such increased issues, by restoring confidence in the country, might prevent that demand for gold for mercantile purposes, rather than augment it?—It might have that effect unquestionably, and would have that effect to a certain degree; but in what degree one effect or the other would be likely to ensue, must depend upon the exact circumstances of the moment at which the step is taken. The conduct of the Bank would have to be decided according to the probabilities which then presented themselves, and, as I have already remarked, the event proves it to have been at that moment no less wise than liberal.

4652. You are of course, as a Banker, deeply interested in the commercial prosperity of the country, consequently any considerable run upon the Bank of England, disturbing the circulation of the country, must be injurious to you; would you, as a Banker, feel any alarm if it were decided that the Accounts of the Bank of England should be made public, and continuously published?—Not only should I feel no alarm, but I should conceive that a better security had been provided than now exists, against the drains which at intervals must more or less assail the Bank of England for bullion; I should conceive that such drains were less likely to occur, under a system of continuous publicity, than they are now.

4653. And you would feel no alarm for the immediate effect which might follow the publication of the affairs of the Bank?—I should feel no alarm whatever.

4654. Do not you think that the more complete the information that was given to the Public, the better?—I should be disposed to publish such information as would afford the Public a full insight into the condition of the Bank at each period which was chosen, whether weekly, fortnightly or monthly, or whatever might be deemed the proper period.

4655. If we act upon the principle, that the Public ought to have a complete insight into the affairs of the Bank, would not there be an advantage in the publication taking place weekly?—I think it would be better that the publication should take place weekly.

4656. Would you apply that principle to all Banks of issue?—I do not know what trouble might be required to get the full state of the country circulation so frequently reported; as it must be derived from a great number of different and distant spots, there might be some difficulty in collecting and concentrating the whole information at intervals so close as that of a week.

4657. Supposing that every Bank of issue were required to publish an Account of its affairs weekly, would not the object be answered?—Certainly it would; but my last answer referred to the difficulties of detail which might present themselves in getting that information together every week into one central report, seeing that it must come from every part of the kingdom.

4658. Independently of any difficulty of detail, would you think it fit that every Bank of issue should be compelled to publish an Account of its affairs, including the state of its bullion?—I think, decidedly, that it would be beneficial.

4659. Would you apply that to Scotland and Ireland?—On the same principles.

4660. Do not you think there might be danger, when the circulation in those two countries consists of 1*l.* and 2*l.* notes, which are in the hands of the lower classes of the people, that if the Banks there were obliged to publish weekly an account of their amount of bullion, persons, for mischievous purposes, might create that political alarm which would endanger the credit of those Banks?—My opinion is, that constant publicity would place the general Public around those Banks in a situation much better fitted to resist all incitements to alarm, than they would be under any system of secrecy; I think that alarms of the kind described would be less likely to occur under the system of constant publicity, than they are now.

4661. Do not you think it would be an evil to compel the whole of the Banks of issue throughout this country to keep a stock of gold in hand, not for the purpose of meeting their liabilities under ordinary circumstances, but as a guard against political discredit?—Political discredit is to be looked upon as one amongst many causes capable of occasioning a drain, and I think that a Banker ought to keep a stock of bullion adequate to meet the chance of a drain from that cause, as well as a drain from any other cause.

4662. Supposing it were known that there was a particular Bank with not more than 20,000*l.* of bullion in its coffers, which was a stock perfectly sufficient to meet all ordinary demands, and supposing a case of discredit arising entirely from political

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alarm, and that that Bank should be unable at the moment to meet its liabilities and pay its notes on demand; would not the failure of that Bank under such circumstances have a great tendency to create a general alarm throughout the country?—It seems to me that there would be no increased drain on its notes, arising from the fact of the publication of its bullion. If the state of political discredit is such as to cause an unusual drain, it will do so, whether the stock of bullion be published or not published.

4663. Do not you think that persons who wish to create alarm might easily excite it, if they could by means of that publication inform the holders of the notes, many of whom were persons in the lower classes of life, that the amount of the liabilities of the Bank was perhaps 100,000*l.* and that the stock of bullion did not exceed 20,000*l.* and that it was therefore desirable that every person should press to have his own notes exchanged for gold?—I do not see that persons animated with that spirit would have any greater facility for accomplishing their end, from the publication of the state and affairs of the Bank. If you assume them to be thus disposed, they will of course set about their object by circulating reports, even under the present system; and I should say that such reports might be circulated with more detriment to the Bank than if the affairs of the Bank were officially published, because in the latter case no Bank would suffer its affairs to be in a condition which could, to a reasonable man, convey the least apprehension of its failing.

4664. Do not you think a much larger stock of gold must be held in deposit by all Banks of issue, if constant publication was required, than is now held?—I think not.

4665. Do not you think it was most fortunate for this country that the Bank of England did act with the decision they did at the close of 1825?—It was very fortunate for the country.

4666. You have said that by acting as they did, they ran a hazard, which however turned out in their favour; was it not of great importance to the preservation of public credit that that hazard should have turned out in their favour, and that their stock of treasure should not have been exhausted?—I think it was of very great importance to the Public.

4667. Do not you think that if the Bank foresaw a great probability that the Exchanges were about to turn in favour of this country, they were justified in acting with great decision and incurring great hazard, although the stock of gold in the Bank might be very low?—In the particular case of 1825, I apprehend that the Bank have in their favour what is the best and most complete justification, the actual result as it ensued. But if I am asked whether, if I had been a Bank Director at that moment, I should have been disposed to approve of such conduct, I cannot answer the question without a variety of considerations, which nobody except a Director could have possessed the means of going through, and which could only have been suggested by all the circumstances taken together at that actual moment.

4668. Supposing that when the pressure took place upon the Saturday on the Bank of England, and the Bank still thought it was their duty to be very liberal in their issues, they had been under obligation by law on the following Monday to state to the Public that their stock of gold was reduced, say to 200,000*l.*; do you think it would have been possible for them in that case to act with the decision with which they did act at the close of the week?—My opinion is, that under a system of continuous publicity, the treasure of the Bank could never have been permitted to fall so low; but I distinguish very much between the effect upon the public mind of one special act of publication at a time particularly when the stock of gold in the Bank is unusually low, and the effect of a continuous publication going through all periods good and bad, going through periods when the stock of bullion is high as well as when it is low, and exhibiting the gradual variations through which it passes from one of those states to the other. If, at the very peculiar crisis alluded to, the stock of the Bank treasure had been suddenly divulged, never having been published before, there might undoubtedly have been an increased alarm produced in the public mind, although, even without publication, the low state of the Bank's treasure was notorious enough, and the published report would only have sanctioned the belief previously current.

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4669. Do you think it was known by the holders of their notes, at a distance of fifty miles from London, so as to induce them to press for the payment of those notes?—I should imagine that all those persons who had any communication with London at all, so as to form any opinion with respect to the Bank, would be acquainted with the fact that the stock of its gold was unusually low, whether residents fifty miles from London or in London.

4670. You would exempt Banks of deposit, and all Banks that were not Banks of issue, from the obligation to publish an Account of their affairs?—I see no reason why Banks that are not Banks of issue should be required to publish their Accounts, because they deal only with specific individuals, and have no trust reposed in them by the general Public.

4671. Would not there be some danger of the Banks of issue discontinuing their present course of business, and becoming merely Banks of deposit, in order that they might escape the periodical publication of their affairs?—I see no reason why they should discontinue the business of issuing on that account, if their affairs are solvent and flourishing; but assuming that any Bank did so determine, the place of its notes would soon be filled up by other wealthy Banks, who would find the obligation of publicity neither burthensome nor discreditable.

4672. Does not the present system of Branch Banks, which afford to country Bankers Bank of England notes in lieu of their own notes on discounts, offer every facility to the substitution of one currency for another?—I should imagine that it did; it enables any Country Banker who chooses to discontinue the business of issuing, to place himself in the condition of a simple deposit Banker at once, and to issue Bank of England notes only.

4673. Is it your opinion that the present Country Bankers who issue paper, would continue to carry on their business upon the conditions you have stated, of making a periodical publication of their affairs?—What their feelings might be, I cannot pretend to determine; but I see no reason why they should discontinue it, always assuming their funds to be adequate, and their business in a good condition.

4674. Supposing a publication of that kind was to be accompanied with the necessity of holding a much larger proportion of gold, would not the abstraction of profit arising from that necessity, materially discourage the continuation of their business as Country Bankers?—If an increased reserve of gold were required, that effect would, to a certain degree, ensue; but I have already given it as my opinion that no greater stock of bullion would be required to be kept than is now kept by a cautious and well-conducted Bank.

4675. Do you mean no larger stock in the aggregate?—No larger stock in the aggregate; assuming all the Country Banks at present to be prudently managed.

4676. Supposing that in the year 1825 the Bank had been under the necessity of suspending its cash payments, what effect would that have produced upon the trade and commerce of the country?—It would have produced, in my opinion, a painful insecurity as to the effects which would have arisen from the Bank resuming cash payments again; a general sort of uneasiness as to how long the suspension might be continued, and a perfect uncertainty as to what might be the value of the paper during the interval of the suspension.

4677. Would any Merchants or Bankers under engagements have been able to carry them on without interruption?—For the moment, unquestionably, they would. The subsequent effect upon their business, would have depended upon the way in which the Bank of England administered their affairs during the suspension. If the Bank Directors, although exempt from the necessity of paying their notes in gold, chose to keep in circulation a stock of notes no greater than they would have had if they had continued under the necessity of paying their notes in gold, then undoubtedly a merchant would stand, in respect to debts and credits, just as if the convertibility of paper had continued. But if the Bank Directors of England had chosen to depreciate their paper, and to issue a greater amount than could have been kept out under the supposition of convertibility into gold, the effect upon trade, and upon the value of property in general, would have been commensurate to the extent of that depreciation.

4678. Do you apprehend, under such circumstances, that you would have been enabled

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enabled to make your payments in Bank of England notes?—That would depend upon various circumstances; upon the extent to which the depreciation went, and whether the Bank of England notes were made a legal tender, or not.

4679. The question refers to the supposed case that would have arisen under such circumstances, at the period of 1825?—I apprehend that if the Bank of England had come to a suspension, so long as the Directors abstained from increasing their notes much beyond what would have been admissible under the supposition of convertibility, little or no actual inconvenience would have arisen to the commercial world; but it would have been the perfect uncertainty what might be the conduct of the Directors, and to what degree they might choose to depreciate their paper, which would, in my opinion, have constituted the great and serious evil of suspension.

4680. Would the Public probably have taken Bank of England notes in payment of their engagements?—They must have done so at first, I imagine; indeed they would have had then no choice.

4681. Might there not have been an universal suspension and interruption of the acquittance of pecuniary obligations?—I should not have anticipated such a consequence as that; although it is difficult to say what might have happened under a supposition which was not in fact realized.

4682. Do you not think that if they had suspended payment, it is probable that an immediate inquiry would have been made into their affairs; and if upon inquiry it appeared that they were a perfectly solvent Company, that the Merchants and Bankers, and parties interested, would have met as they did in 1797, and declared their readiness to take Bank of England notes in payment, till a convenient moment of resuming cash payment arrived?—That might have been a very probable course of affairs.

4683. You are probably aware that in May last there was a considerable draft upon the treasure of the Bank of England, and the consequence of that demand was, that the cash of the Bank of England became unusually low; do you think if the amount at the time had been published (that demand arising from political causes) the publication would not have created a material inducement to withdraw the whole of the treasure of the Bank of England that remained?—If you suppose that a certain number of the population enter into a sort of conspiracy against the Bank of England, totally unconnected with any alarm as to its solvency, or any pressure of commercial distress, and if that conspiracy were carried to a great extent, of course it might drain the Bank, whatever might be its stock of bullion, and whether declared or not declared. But it does not appear to me that there would be any increased motive or facility for carrying on such a conspiracy, arising from the fact of the stock of bullion being officially proclaimed to the Public, as compared with the exaggerated reports, which would of course be current under such a state of things, that the stock of bullion had been materially reduced, and was at that time considerably below its average amount. Such reports are the necessary accompaniments of a drain upon the Bank, arising from the wide spread feeling supposed to be in operation against it, and they would tend quite as much to the encouragement of the conspirators as an actual communication of the exact stock of bullion in the Bank would do. On the other hand I would observe, that publicity even in that case would be beneficial in this way, that it would materially tend to prevent parties not concerned in the conspiracy from applying to the Bank under different feelings, merely from blind and unthinking alarm, at that particular moment; they would be better guarded against artful misrepresentations of the condition of the Bank, and against any undue mistrust of it, by the previous habitual publicity of its affairs; and therefore a drain upon its treasure, arising from political causes, would be less aggravated by undefined alarms from other sources. I would also beg to observe, that in that continuous series of reports which I propose, there would be included the stock of notes and deposits on one side, constituting the liabilities of the Bank, and the stock of bullion and productive securities on the other, constituting the assets of the Bank; so that when any report exhibited the stock of bullion as being diminished, it would also exhibit a corresponding diminution in the notes and deposits on the other side. Now under the present system, when reports arise that the stock of bullion in the Bank is unusually low, those reports seldom advert to the almost inseparable fact, that at the same time the notes and deposits of the Bank are also unusually low; therefore persons under the present system

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system are unduly affrighted by looking altogether to reports about the low stock of bullion, without taking into consideration that the liabilities of the Bank are at the same time unusually small also. Now in the series of Reports I have been describing, these two facts will always be brought simultaneously and in the same paper before the eye of every man.

4684. You referred to certain other changes which you would think it expedient to make in the present system of Banking connected with the Bank of England; will you state what they are?—I believe what I principally had in view was the expediency of making Country Bank notes payable in Bank of England notes only, and not in coin or bullion.

4685. What are the advantages you would anticipate from that change?—I think it would operate to save a great drain for gold upon the Bank in times of commercial discredit, and at times especially when Country Bank paper generally was under a certain degree of suspicion.

4686. Might it not lead to this inconvenience, that a Country Banker not being required to pay his notes in bullion, a very small portion of the gold currency would exist in the country where the Banks now make their issues?—No more would be retained than was needed for the purposes of circulation, in the absence of notes under 5*l.* That quantity must remain.

4687. In that case no holder of a 5*l.* note could make a demand upon a Country Banker for payment in gold; might not this lead to a very great deficiency of gold currency for transactions under 5*l.* throughout the country districts?—I should imagine that as far as regarded the constant wants of the circulation, Country Bankers would be obliged, for the convenience of their customers, to keep a sufficient stock of gold to supply them. But the effect that would arise from making Country Bank notes payable in Bank of England notes only, would be, that a Country Banker would be protected from the obligation to furnish such gold at times when it was wanted, not for the general circulation, but only as a substitute for his own suspected notes. Under these circumstances, he would be absolved from the necessity of giving any thing but Bank of England notes, so that the drain upon the Bank treasure would not be near so great if the Country Banker were under the obligation of furnishing gold to a person who suspected his notes.

4688. At present if a person wants any quantity of gold, he may obtain it by presenting Country notes to the person who issued them, but in that case the person could not obtain it without sending to London for the purpose; do you not think the quantity of gold currency would be diminished under those circumstances?—It appears to me that there would be still enough left, and that there would be a motive to retain enough for the purposes of necessary circulation.

4689. Might not a Country Banker demand a premium upon the gold he issued in payment for his 5*l.* notes?—I should trust to the competition amongst Country Bankers themselves, for preventing any undue exactions of that sort.

4690. Would not the payment of a Country Bank note in Bank of England paper have practically the effect of depreciating the country circulation?—I do not see in what way it could produce that effect.

4691. Would a Bank note, where a person wanted gold, be equally valuable in the country as in London?—I think that if he wanted gold for the purposes of circulation, it would still be obtainable at a Country Banker's counting-house. In the event of alarm or discredit, Country Bankers would resist payment in gold, but I should not think a Country Banker would decline accommodating a customer with that convenience, assuming it to be demanded in reasonable quantity, and for the ordinary purposes of circulation.

4692. If the effect of making Country Bank notes payable only in Bank of England notes were to reduce the smaller currency below the wants of the country, might not the consequence be, to raise an outcry for a smaller currency, and lead to the introduction of 1*l.* Bank of England notes through the country, for the purpose of providing for a smaller currency?—If the effect of it were to contract amount of coin of smaller denominations within a lower range than was requisite for the convenience of the circulation, then I apprehend the consequence just described would ensue; but I do not anticipate contraction of them to that extent.

4693. When a man promises to pay 5*l.*, he promises to pay a definite quantity of gold, does he not?—He does now; but that depends upon the terms in which

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the obligation is couched. Under the state of the law which I have presumed to recommend, the promise would in fact be, to pay a 5*l.* Bank of England note if required.

4694. Therefore you would alter the form of the promissory note, and instead of saying "I promise to pay on demand five pounds," you would have it run "I promise to pay a five pound Bank of England note?"—"I promise to pay on demand five pounds in Bank of England notes" would be the tenor of the promise under the state of things I have been supposing.

4695. Would you not have all outstanding country notes payable in the currency to which the promise now refers, namely, in sovereigns?—There would be no difficulty in adjusting that matter; if the notes now out were not brought in before a day to be named, the holder of them would be understood to acquiesce in his right to receive only a five pound Bank of England note, and not five sovereigns.

4696. Why should the Country Bankers be the only persons in England who are to pay their debts in Bank of England paper?—My reason, as I have already stated, for allowing them to pay their notes in Bank of England paper, is that it would protect the Bank of England against the liability of being drained for gold to make good the discredit of the country circulation at very inconvenient moments, at moments when such a demand on the Bank of England is in the highest degree mischievous and distressing to the commercial world in general.

4697. Why should not you enable all other persons to pay their debts in Bank of England paper?—That is a question I have not considered so fully as to deliver an opinion upon it at the present time.

4698. You assume that the Bank of England paper is as good as gold; if it is as good for one purpose, why should not it be as good for another?—Unquestionably I do assume, when I make a Country Bank note of 5*l.* payable in a Bank of England note only, and not in gold, that the 5*l.* Bank of England note is equivalent to gold. It is upon that assumption that I vindicate the measure of making it a legal tender for a Country Bank note of 5*l.*; and I do not see why it should not be made a legal tender, on the same principles, by other individuals; but upon that question I should desire not to be understood as delivering an opinion without further consideration.

4699. Would it be possible to make the Bank of England paper a legal tender for Country Bankers, without making it generally a legal tender?—I do not see any impossibility in it.

4700. Supposing a man, who had money in the hands of a Country Banker, owed a debt to another person, and he could only procure from the Country Banker Bank of England notes, and the person to whom he owed the debt required payment in gold, would it not put him in a situation of great difficulty, and very undeservedly?—It would have that effect, certainly.

4701. Would it not have a tendency considerably to reduce the amount of bullion demandable for the currency of the country in circulation at any moment?—Yes, under that state of things bullion could be demanded only by those who presented notes at the Bank of England, and no where else.

4702. Would it not be necessary, if you adopted that system, to compel Country Bankers to pay in gold all sums below 5*l.*?—There would be no other way of paying it.

4703. Do you contemplate a Country Banker being permitted to pay his depositors in Bank of England notes, without reference to the form in which the deposits may have been made with him?—Certainly. I should contemplate the Country Banker having no demand made upon him for any sum of 5*l.* and above, which could not be discharged in Bank of England notes, placing the note holders upon the same footing with the depositors.

4704. Do you apprehend that in ordinary times the Country Banks are pressed for gold much?—In ordinary times, I should think not much. In ordinary times they would, I suppose, be asked for no more gold than was required for the actual purposes of the circulation.

4705. Then the system you propose would chiefly come into operation in times of peculiar pressure?—Yes.

4706. Supposing,

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4706. Supposing, in such a time, a person has 100 *l.* at his Country Banker's, would he not be able to give twenty-five checks for 4 *l.* each, which must be paid in gold, and could not he in that manner evade the provision?—Certainly, I apprehend that that mode of evasion must remain open; but I should remark that a Country Banker upon whom it was practised might always protect himself by sending the whole 100 *l.* at once to his depositor, in Bank of England notes, and thus discharging the debt.

4707. Do not you apprehend that in times of alarm the consequence would be, that in remote parts of the country the Bank of England note would fall to a discount?—I think it very unlikely. Though a note holder may be dissatisfied with the Country Bank in his neighbourhood, and even under peculiar alarm with respect to that Bank, I think he would in general be satisfied with that sort of substitute which the law provided for him, namely, a Bank of England note, the distrust being supposed to be confined to that particular local Bank upon which he has been in the habit of relying.

4708. If he is satisfied, why not make it optional; and if he is dissatisfied, and wants a better security, why not compel the Banker to pay it?—The difference would be, that if the law gave him the option of demanding which he chose, he might fancy that the law did not consider Bank of England notes as a full and adequate security beyond all risk or suspicion, and might feel disposed to prefer gold; whereas if he has no right to demand any thing but a Bank of England note, the knowledge of that circumstance, coupled with the implied guarantee of the Legislature, would induce him to be satisfied with a Bank of England note.

4709. Is there not a danger that it would operate in a contrary manner; do you think that confidence can be instilled by any state of the law?—To a certain degree it may, where there is no real ground for mistrust; and I think that such a state of the law would in most cases have the effect of inducing the holder of a suspected country note to be satisfied with a Bank of England note.

4710. You have stated that in the minds of ignorant persons the grounds of alarm are vague and undefined; in times of alarm, would not ignorant persons be disposed to part with their Bank of England notes at a discount, for gold?—Such a case is possible; and if that were ascertained to be the temper of the population, if it were certain that the people in general would not be satisfied with Bank of England notes, of course the obligation upon the Country Banks to pay in gold must be continued as it is at present. In my view, the feeling of the population would be different. At the same time I am prepared to admit that the practicability of the change must depend altogether upon the temper of the population, and upon their being willing to take the Bank of England notes.

4711. Would it not be the poorer classes, and the smaller holders, who would be more liable to undergo alarm, and to suffer from the loss, on those occasions?—I presume that they would be the persons most likely to carry the alarm to the greatest height; but I by no means anticipate that there would be, even in their minds, a disposition to distrust Bank of England notes under those circumstances.

4712. Do you know whether, during the late political run, Country Bank notes were much presented at the Country Banks for payment in gold, or whether the run was not very much confined to the Bank of England notes?—In certain places I have understood that a considerable amount of Country Bank paper was presented for payment at that time; whether it has been generally so in other parts of the country, I have no means of knowing.

4713. If the run was principally against Bank of England notes, might not the very means you are devising for preventing a run, rather tend to increase that run?—If the run was supposed to be against Bank of England notes, if the distrust or conspiracy bore directly and originally upon Bank of England paper, the Country Banker would hardly be called upon to furnish Bank of England notes in place of his own notes, which are supposed not to be distrusted, and therefore no danger would ensue in that case.

4714. Do you apprehend that in case of the law being altered, and Bank of England notes being made a legal tender for Country Bankers' notes, there would be any greater desire amongst individuals in the country to refuse Bank of England notes, than exists under the present state of law?—I apprehend that there would decidedly be no greater disposition to refuse Bank notes under those circumstances;

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in my opinion, the confidence in Bank of England notes would be rather increased than diminished.

4715. You are aware of the circulation of Lancashire consisting exclusively of Bank of England paper?—I am aware that there are no local notes there, and that the circulation consists of bills of exchange and of Bank of England paper.

4716. Have you ever heard of individuals in their transactions with each other, in Lancashire, having any objections to take Bank of England paper?—I have never heard of any; but I am not intimately acquainted with the circulation of Lancashire, having no connexions there myself.

4717. You do not know that in times of alarm there the demand for gold is very limited?—I have no knowledge of that fact myself; I am aware that the Banks in that district are on a remarkably solid footing, and that very little mistrust has arisen there in periods when there was a good deal of distrust elsewhere.

4718. If it has been found by experience that in Lancashire, where there are no local notes, where Bank of England notes circulate, and where consequently the Bank of England notes cannot be exchanged for gold by law (or at least could not prior to the establishment of the Branch Banks), if it has been found that individuals do not dislike taking Bank of England notes, may it not reasonably be inferred that the same feeling will exist in other parts of the country?—It may very reasonably be so inferred.

4719. Are there any direct Exchanges between Edinburgh and Dublin and the Continent; if a merchant wanted to remit a balance of gold from Edinburgh or Dublin to Hamburg, must the transaction pass through London?—The nature of my business does not lead me to be particularly conversant with the Foreign Exchanges, and therefore I cannot reply to that question from any positive information; but my idea would be, that the operation would pass through London.

4720. If a merchant wanted to remit gold directly from Dublin or Edinburgh, would he not refuse to take Bank of England notes which he could not convert into gold?—If we suppose that at the present time the operation would pass through London, he would be exposed to no additional inconvenience under the altered system; but unquestionably, if at the present time it be the fact, that he would remit his gold direct from Edinburgh and Dublin, and that under the altered system he would have to get his gold from London, there would be a discount on notes at Edinburgh equivalent to that expense.

4721. Are you aware that in America the greatest practical inconvenience is felt from the difference in the currency in the various States, bearing in some cases a discount of one and a half per cent, and in others two per cent, they not being reduced to a common standard?—I was not aware that there was at present any thing like so great a difference as that; I thought that by the operation of the United States Bank, the difference of exchange between one part and another had been reduced very much below the amount just stated. I think it is so stated in Mr. Macduffie's Report to Congress.

4722. In case of persons in Dublin or Edinburgh wishing to remit bullion direct from those places to the Continent, if the alteration took place that you have suggested, would it not induce practically a difference between the value of Bank notes in Dublin or Edinburgh, and the value of the Bank notes in London?—I am unable to answer that question, without knowing in what manner the operation is conducted at present, and whether a merchant in Dublin or Edinburgh finds it for his convenience at present to conduct the operation without reference to London or otherwise; if he at present finds it convenient to conduct the operation without reference to London, then if the system were altered as I recommend, there would for that special purpose be a diminished value of notes at Edinburgh or Dublin, equivalent to the expense of getting the specie from London, or doing the operation through London.

4723. Does not a 5*l.* Bank of England note and a 5*l.* Berwick note go in the neighbourhood of Berwick for the same value?—Certainly, I presume so.

4724. Is not a 5*l.* Berwick note exchangeable for gold in Berwick, whilst a 5*l.* Bank of England note is only exchangeable in London for gold; can you conceive, then, that it can be said that there can be a discount upon the Bank of England note, when they both go for the same sum under present circumstances?—Referring to the question put to me just now, and assuming that a merchant at Berwick

Berwick wanted gold for a particular operation connected with the Continent, for which nothing but gold would suffice, and taking the circumstances as they were assumed to be in the last question, I should then say that it was equivalent to a discount, at least for that particular purpose and in that particular transaction, whether it be so in other transactions or not.

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4725. What would you do with the one and two pound notes in Scotland; would you make them payable in gold?—They must be made payable in gold, I presume.

4726. Then the Scotch Banks would issue 5*l.* notes payable in Bank of England paper, and one and two pounds notes payable in gold?—It would be so, certainly; but that would only be one of the many anomalies resulting from having a circulation in one part of the Kingdom which is not permitted in the remainder.

4727. Would you make the Country Bankers in Ireland pay their notes in Bank of Ireland paper, or in Bank of England paper?—They ought to be payable in Bank of England paper.

4728. Supposing that Bank of England paper is wholly unknown in that part of the kingdom, would it be any satisfaction to a person in Galway or in Kerry to receive it?—I have already observed that in the alteration which I propose, I assume, as a necessary ingredient, that the people in general are disposed to acquiesce in Bank of England notes as a substitute.

4729. Would you require the Bank of Ireland to pay its notes in gold or in Bank of England paper?—I should think it proper that the Bank of Ireland also should pay its notes also in Bank of England paper, and not in gold. But I have not attended to the Irish circulation, and plausible doubts might perhaps be started whether it would be proper to leave that as a separate local whole, or to treat it as a part of the general Empire, with ultimate reference to the Bank of England only. If there be a decided preference on the part of the Irish Public for the Bank of Ireland, that might be a reason for considering the Bank of Ireland note as the ultimate solvent of the Irish circulation, rather than the Bank of England note; but I imagine that even now, when the Bank of Ireland and the provincial Banks in Ireland settle their exchanges, the balance is discharged in London in Bank of England notes.

4730. Is there any other object in this alteration of the law which you propose, than that two or three days must elapse before a demand can be made upon the Bank of England in London?—The gain would be much more important than that. I have already stated my belief, that any person holding the note of a Country Bank, which Country Bank he had by some reason been led to distrust, and if the law empowered him only to receive a Bank of England note in exchange for it, would probably be satisfied with that Bank of England note; if I am mistaken in supposing that he would be so satisfied, and if his next step would be to make his application through the medium of the Bank of England note for gold in London, then undoubtedly little or nothing would be gained.

4731. Do you think that such a state of the law would give him an increased confidence in the Bank of England note, which he would not have if the tender of it were optional?—Yes.

4732. If a country note made it optional with a person to demand either gold or Bank of England paper, would not the Bank of England be obliged to provide itself with a sufficient amount of gold to meet the demands upon it?—It would be obliged to provide itself with a stock of gold adequate to meet all such demand as could be reasonably anticipated under that system.

4733. Would not the effect of the alteration you propose be, that in times of panic and discredit in the country, the Country Banker would not be obliged to provide himself with so large an amount of gold as at the present time?—That would be the beneficial effect I anticipate from it; and it would thus relieve the Bank of England from a great pressure upon its resources at very inconvenient times.

4734. If in ordinary times the Country Banker were accustomed to pay his notes in gold when required, but in times of alarm he refused to pay in gold, would not that refusal tend to increase the existing alarm?—I do not think it would increase

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the alarm. It would hardly be correct to say, that he was accustomed in ordinary times to pay his notes in gold, since he would only be in the habit of giving, at his own option, very limited sums of gold, and for special purposes. There is an obvious distinction between such optional accommodations and a wholesale payment of gold in exchange for discredited notes, and no one would expect that a Country Banker would be prepared for the latter, because he had supplied his customers with the former; it would be enough if he was prepared with Bank of England notes in exchange for his own notes when required.

4735. Could it make any difference to the Country Banker, whether he was enabled to pay his notes in Bank of England paper or in gold?—I do not see that it would make any difference as regards his profits, excepting that in times of general pressure it would render the obtaining of accommodation in London more easy to him, which would be a considerable benefit; but in reference to his average reserve, I think he would have to keep as much in Bank notes in the one case, as in gold in the other.

4736. Then the only difference that would arise to the Country Banker, would be the difference in the expense of carriage between conveying gold from London and conveying Bank of England paper, he being obliged to provide himself with means of obtaining from London either Bank of England paper, or gold in the same quantity?—There would be that difference, and also the additional facility which he would enjoy in difficult times, of relieving himself from the London circulation, the London circulation being protected against that great peculiar demand which now arises from the necessity of supplying gold from the Bank of England to replace discredited country notes.

4737. What would be your opinion of such a change of the law as would make Bank of England notes a legal tender in all parts of England out of the Metropolis?—I have not considered the peculiar effects of a law distributing the legal tender in that particular way; but I do not see any reason why, if they are judged worthy to be a legal tender out of the Metropolis, they should not be judged to be a legal tender within it; always of course assuming that they are convertible into gold on demand at the Bank of England.

4738. Is it not the custom of Country Bankers, in times of commercial discredit, to come to London and take down large supplies of gold, larger supplies probably than are likely to be called for, with a view to their own security?—It is constantly the custom for them to do so; and the wealthier Bankers especially come to London at such periods, and take down a very ample supply of gold indeed.

4739. Then the great advantage which you anticipate from the change in the law which you have been recommending, would be, that the Country Bankers would take down as much gold only as was likely to be called for, for the ordinary circulation of their neighbourhood, and the remainder, which might be necessary to provide for a panic, they would take in Bank of England notes?—That is my idea of the effects that would result from the alteration I have mentioned.

4740. Thereby preserving the Bank from the extraordinary drains now made upon it, which are utterly useless as regards general security to the country?—Yes.

4741. Supposing there was a state of general discredit and alarm, would not every depositor in a Bank have the means of extracting gold from the Bank by drawing a draught upon that Bank for less than 5*l.*?—In that way, I presume, the law might be evaded to a certain extent, but the quantity of gold so extracted could not be very great, inasmuch as the Country Banker could protect himself against it by paying off his depositors in larger sums, if he pleased.

4742. Would not the depositor in that respect be upon a better footing than the holder of a note?—He would be so, to a very slight degree.

4743. Although the deposit was a voluntary act upon the part of the depositor, while on the other hand the receipt of the note by the holder could scarcely be called a voluntary act?—Yes.

4744. Might not the holder of the note make himself a depositor by paying in on one day the Banker's own notes, and then drawing them out the next day in the way that has been just suggested?—Not being acquainted with Country Bank business, I do not know what rules they have with regard to admitting persons

persons as depositors, or what they do with regard to opening new accounts in any person's name.

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4745. Would you not consider that a Country Banker who declined providing an ample supply of gold in a time of panic, would deservedly lose his credit with the Public?—Unquestionably the Country Banker ought to be provided against all reasonable and probable demands appertaining to the particular circumstances of the moment. Of course he takes the risk of what those demands may be; and if the demands happen to exceed his calculation, he must suffer the consequences.

4746. What view do you take of the policy of returning to the currency in England of 1*l.* and 2*l.* notes?—I am disposed to consider that 1*l.* and 2*l.* notes payable in coin on demand, are so liable during periods of pressure to create derangement and to extend alarm, that the benefit derived from them in the way of cheapness is not an adequate compensation for the mischief at those peculiar moments. On that ground I am disposed to think that there is a balance of evil on the whole against them, and that it would not be wise to restore them.

4747. Considering that the Bank derive large profit from issuing the currency of a large portion of the country, do you think it would be proper for Government itself to become the issuers of paper, in preference to the Bank?—The question, as now put to me, I understand to be simply as respects the issue of notes, leaving the Bank of England in other respects as it is, as a Bank of deposit; I am inclined to think that it would be better to leave the Directors to manage the circulation as they now do, in preference to having national commissioners appointed for the purpose; always understanding that they are to be under the check of continuous publicity. I think it farther essential that the nation should share much more largely in the profits of the circulation than it does now; if the Bank of England is intrusted with the function of providing a circulation, unquestionably it ought not to be considered as Bank property, but as national property; and the Bank should be allowed to receive no more of the profits of that circulation than is requisite as a fair remuneration for the trouble and risk of administering the details of it.

4748. Would you think it better that this compensation should be paid directly by the Bank to the Government, or would you make it a set-off in any bargain made as to the management of the Public Debt of the country?—I am disposed to think that in all adjustments of bargains between two parties, it is better to have each part of the bargain distinctly and separately arranged, not to take one thing as a set-off against another. The Public often misunderstand a bargain which comes before them in the way of a set-off; they are too apt to look at one part of the transaction, without having their attention called to the other; therefore in any arrangement between Government and the Bank, it would be better that the circulation should be accounted for as a separate item, and that any service rendered by the Bank in the management of the Public Debt should be treated as another separate item.

4749. You consider that a Bank managed as the Bank of England is, by Directors chosen within the body from commercial men, is likely to be better conducted as a Bank of issue purely, than an issuing Bank conducted by Government commissioners?—I think it is, if under the check of full and continuous publicity, which I always assume, and which I consider indispensable.

4750. Are there not other advantages derivable to the Public from a circulation managed by Directors, being commercial men, which could not be afforded by Government commissioners; do you not think that greater accommodation can be given to commerce generally by the circulation being governed by commercial men, than could be given by Government commissioners?—Persons chosen by Government might equal the Directors in commercial knowledge and power of accommodating the trading world, but it might not be so easy for Government commissioners to equal the Directors in reputation for incorruptible integrity, even if their conduct were just as pure in reality. The function of administering the currency is one peculiarly likely to provoke suspicion, which the Directors have always escaped, chiefly from their actual merit, but to a great degree also because their commercial position shuts out the idea of intentional dishonesty. The principal advantage, apart from this, of a Bank circulation in preference

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preference to a direct Government circulation, consists in its affording greater security against violent interference and intentional debasement on the part of the Government, which the history of all States shows to be too probable during any period of embarrassment and emergency. Moreover, under a Bank circulation, there is a great mass of private or corporate funds pledged to the holders of notes in addition to the security arising from the vast capital of the Bank lent to Government. Finally, a Bank circulation has long been the only known and habitual circulation in the Metropolis; a sufficient motive for continuing it, in preference to a Government circulation, if there be no special reasons to determine in favour of the latter.

4751. Do not you think that in the latter part of 1825 greater assistance was rendered by the Bank of England in consequence of the Bank Directors being generally commercial men, intimately acquainted with the state of business in the city, than could have been expected from a Government Bank?—The issuers, whoever they might be, would be compelled carefully to watch and study the ways in which the commercial world was liable to be affected by their administration of the issues; and I should think they might soon come to understand such matters as well as the Bank Directors do now.

4752. Do you think that the great risk of which you have spoken, which the Directors of the Bank of England ran in the latter part of 1825, in order to assist the credit of the country, would have been undertaken by Government Commissioners?—I should think it would have been more readily undertaken by Government Commissioners, because they would have had less fear of the evils of a suspension than the Bank Directors might be presumed to have.

4753. Do you think that, under the sanction of publicity, a Board of Directors, constituted like the present Board of Directors, is less likely to vary from fixed principle than a Board of Commissioners appointed by Government would be?—Under constant publicity, neither the one nor the other would be likely to deviate from fixed principles, either in ordinary times, or in times simply of commercial distress; but if the Government came to be embarrassed, Commissioners named by them would be less likely to resist undue solicitations than the Bank Directors as now constituted. At those particular moments, adherence to fixed principles would certainly be better ensured by having the circulation under the management of the Bank Directors.

4754. Are you prepared to suggest any other mode of electing the Bank Directors than what now prevails, or any further check upon their conduct with reference to the mode of election, than that which now prevails?—The mode of election at present is nominally by the Proprietors, but really and in substance by the Bank Directors themselves, who fill up their vacancies from persons of respectability and integrity in the city. I do not know myself that any mode that I could recommend would tend to secure the introduction of better individuals.

4755. Is it not found necessary in all public institutions, for uniformity of conduct, to have what is called a House List?—I believe such a practice is very common in many institutions; and I am of opinion that the present choice of Directors is better on the whole for the Public, than it would be if the mass of the proprietors interfered in it more directly.

4756. Does not the system entirely rest upon the confidence which the Proprietors have in the Bank Directors?—I apprehend that the responsibility of the Bank Directors is more keenly felt towards the Public in general, than towards their own proprietors.

4757. How do you apprehend that publicity could operate upon the conduct of the Directors of the Bank, in acting upon any fixed principle?—Suppose it to be fully understood as the rule by which the Bank Directors administer the circulation that they should watch the Foreign Exchanges, and keep in circulation such an amount as will preserve the currency at its proper value, as compared with foreign currencies; then if there were a series of reports published respecting the Bank affairs, containing a reference to the state of Exchanges at the time, and containing an Account of the Bank of England circulation and bullion at the time, the Public will, by comparing the successive reports, see whether the Bank Directors have really paid that strict and exclusive attention to the Foreign Exchanges which they ought to pay.

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4758. May there not be circumstances over which the Bank have no control whatever, that may alter the Foreign Exchanges?—Undoubtedly. I apprehend that the Foreign Exchanges are altered by many circumstances over which the Bank of England have no control; but it is the business of the Bank of England to adjust the circulation with reference to the state of Foreign Exchanges, whenever the latter may happen to be so altered by these extrinsic circumstances.

4759. You stated that in making a bargain with the Bank, the Government ought to derive from them the profit made from the circulation of the notes?—All above what is requisite to remunerate the Bank Directors for the trouble and risk of administering the details of the circulation.

4760. Would you extend the same principle to other Banks that issue notes?—Yes, if I had to begin at present without any pre-established interests to fetter me. If a circulating medium were now to be provided for the first time, or formally renewed, for the whole kingdom, I should think it ought to be so adjusted universally. But seeing that a number of parties, every where out of the Metropolis, have acquired a certain established interest in the circulation, I should be throwing them out of their business, and depriving them of a profit on which they justly and reasonably reckon, if I were to deal with them upon the same principle. With respect to the Bank of England, every thing is now open; Parliament may adjust and regulate the circulation of London just as they think fit.

4761. Then the Bank of England is the only Bank, in your opinion, which ought to pay the surplus profits of their circulation over to Government?—If Country Banks were now in the same position as the Bank of England, if they were all with charters just on the point of expiration, and I were called upon to regulate them anew, I should then apply the same principle to all; but since the Country Bankers are in the possession of that description of property, without any formal termination of tenure, requiring a special interference of Parliament to prolong it, I should not think it reasonable to dispossess them at the present time.

4762. You propose that payment, then, in consideration of the continuance of the chartered privileges they now enjoy?—In consideration of the circulation of London being capable of affording a profit, and of that profit being at the full disposal of Parliament, either to take for the nation, or to award to any individual whom it thinks fit to choose.

4763. What do you think of the policy of more Joint Stock Banks of issue than one, being established in the Metropolis?—I should think it would be decidedly mischievous; I see no benefit to be derived from the multiplication of Banks of issue, and a considerable chance of evil.

4764. What are the advantages which you think arise from having only one Joint Stock Bank of issue in the Metropolis and its neighbourhood, and what are the disadvantages that would arise from more than one being established?—If there be one Bank of issue only, you get the circulation considered as a whole, which would be impossible if the circulation were distributed amongst six or eight or ten Banks. With one Bank of issue only, if that Bank be placed under the control of publicity, you have a much better security for the circulation being administered upon fixed principles, and enlarged or contracted with a constant reference to the Foreign Exchanges, than you would have if there were six, or eight or ten Banks. No one among these competing Banks would be either able or willing to measure its own separate issues with reference to that total of circulating medium which might be proper for the country at the moment. Each Bank would study principally the means of increasing its own part of the circulation, and would be tempted to extend its issues, not at the time when it might be desirable for the circulation generally that they should be extended, but at any time when there was a prospect of unusual profit, or of acquiring new connexions, taking the chance of being able to supplant the notes of other Banks.

4765. Do you think that many Joint Stock Banks of issue being established in any district of the country, adjusting their balances, as is the practice of Joint Stock Banks, at short periodical intervals, affords any greater security against over-issue, than a single Bank having the whole of the paper currency of that district?—Decidedly less security against over-issue. The temptation to over-issue, if there be

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many issuers, seems to me to be greater than it is in the case of there being only a single issuer, because the rivalry between various issuers leads each to be more liberal in its advances during any period of excessive speculation.

4766. Supposing that in any district there is a single Bank, when prices are high or on the rise, will not such a Bank be able to keep out a larger amount of issue than when prices are low and falling; and suppose the business of the same district to be divided amongst several Banks of equal credit, will not the same rule that applies to the single Bank, apply to the many, and enable them to enlarge their issues when prices are high or rising?—In both cases, assuming the state of demand to be what is described in the question, there would be a temptation on the part of the Banks to over-issue; but it appears to me that there would be greater counter-acting restraints in the case of the one issuer, than in the case of many issuers, because the one issuer would be forced to keep his eye upon the Foreign Exchanges, and would be compelled, by the continued series of published reports, to adjust the circulation with reference to these Exchanges, at each time, bearing all the blame of the Public in the event of his declining to do so; whereas it would be impossible to extract from six, or eight or ten Banks, that each of them should adjust their circulation with reference to the Foreign Exchanges, because you could never prescribe any determinate proportion which the issues of each Bank should permanently bear to the issues of the others.

4767. In the case of the single Bank, will not an increased amount of notes be presented to the Bank for payment in case of a fall in prices; and in case of the business being divided between many Banks of equal credit, will not an increased amount of notes be presented for payment in case of a fall in prices, and this although they adjusted their balances weekly or even daily?—I think the adjustment of balances would present no security at all for keeping the amount of issues of each Bank constantly at the point which the general circulation, as a whole, would require, because in periods of speculative fervour the same cause acts upon all Banks at once, both tempting them to issue and enabling them to keep out a temporary increase of issues.

4768. Supposing the many Banks to be conducted with the same degree of prudence as a single Bank, would a multiplication of the number of Banks prevent the reduction of the currency precisely to the same amount as would take place in the case of a single Bank?—Under a single Bank, in my opinion, that contraction of the currency which is incident to a fall of prices, would be earlier foreseen, and more discreetly and gradually brought about, than it would be by many competing Banks of issue; because the rivalry among the various issuers tends to induce each to defer the moment of beginning contraction until the necessity for it has become both urgent and notorious, and because the contraction, when thus unduly deferred, must finally be carried into effect with greater suddenness and violence; whereas a single Bank would be under no such peculiar motive to abstain from beginning contraction precisely at the proper moment; any reluctance which it might feel to refuse accommodation, would be more than counterbalanced by the paramount obligation under which publicity would place it, of watching the Foreign Exchanges, and adjusting its issues according as they might indicate.

4769. Do you think it is necessary, in order to give a single Bank of issue the monopoly of the circulation of the Metropolis, to prevent the establishment of Joint Stock Banks of issue within 65 miles of London?—I should think it would be necessary to prevent the establishment of such Banks within a certain distance of London; whether 65 miles be the precise distance required, I am hardly prepared to answer; but unquestionably it would be necessary that a certain radius round London should be fixed, within which no Joint Stock Bank of issue should be permitted to erect itself.

4770. What do you think of the policy of the prohibition against Joint Stock Banks established beyond the prescribed distance, drawing upon London, making their notes payable on demand for a less amount than 50l.?—I should think that the present restriction ought to be continued; I should be disposed to maintain things as they are upon that point.

4771. It has been stated, that in the case of the treasure of the Bank being run low, they act upon the following principle: "If there be a demand for an increase of the issues upon commercial bills, the Bank find the means of supplying the demand"

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“demand by a sale of a part of their Government securities; thereby providing that the amount of their securities shall not be increased, but merely their character changed.” Do you think that greater accommodation is given to the commercial world in such a case, by increasing the amount of their discounts, and by the sale of Government securities, than would be given if they continued the scale of their discounts and Government securities precisely upon the ordinary footing?—I should be disposed to think that there was a greater accommodation given by them to the Public by their taking in more discountable bills at such a juncture, and selling Exchequer bills. I admit, that by selling Exchequer bills, they deprive private capitalists of the power of discounting to an extent exactly equivalent to the fresh discounts which they take in; and therefore, taking private discounters as one aggregate body, the applicants for discount lose as much in one way as they gain in the other. But I am inclined to think that the Public would interpret the matter otherwise, and would feel much additional uneasiness and alarm if at those periods of pressure the Bank were not open for discount; they would be much disappointed and inconvenienced if they had to look elsewhere.

4772. If the Bank sell Exchequer bills, do not they take a portion of the currency to that extent out of the hands of the London Bankers who are in the habit of employing those balances in discounting; and to the very same extent to which they afford discount themselves, are they not limiting the means of discount in the hands of the London Bankers?—Certainly they are; and I therefore think that no greater aggregate of bills can be discounted in London, taking private capitalists and the Bank together, than could have been discounted if the Bank had kept their Exchequer bills and taken in no fresh discounts. Still there is this difference, and not an inconsiderable one; first, that the commercial world has accustomed itself to the present routine of the Bank, and looks constantly to the Bank as the great centre of discount, especially in difficult times; next, that the Bank is a perfectly well known place, accessible to those who may not know how or where to find out an individual discounter.

4773. In ordinary times are not the Bankers the principal discounters for the merchants and smaller traders, and will not therefore the reducing the balances in the hands of the Bankers be so far putting the persons seeking discount to inconvenience, if they are obliged to go, not to their ordinary channel of discount, but to some other?—If it were supposed that the Bankers of London were one great united firm, instead of being many separate firms, I should answer that question in the affirmative; but it may well happen that a man's own Banker may at that moment have had particular calls upon him, and may not be able to supply his wants, and he will have no means of access to any other private Banker, perhaps not to any other private discounter. During moments of distress, private Bankers and brokers will assist none but their own permanent connexions; and if at such a moment a man is thrown out of his accustomed line of discount, he will not know where to find a substitute. If the Bank is open for discount, a substitute is in some measure provided, for a man can get to the Bank without that special, permanent, and exclusive connexion which he preserves with his own Banker, and which cuts him off from all other Bankers.

4774. Do you think, then, that that is a wise principle of action for the Bank of England to adopt in periods of commercial distress?—I think it is a wise rule of action.

4775. Should you not, in the case of their being a purely metallic currency, anticipate very great fluctuations in the price of commodities, in the rate of Exchanges, and in the rate of commercial discounts?—Yes, great fluctuations. I do not see that a metallic currency furnishes any security against them.

4776. Would not those fluctuations depend upon various circumstances, such as the state of the harvests, an abundant or deficient supply of many of the leading articles of import, and also upon the circumstance of the dividends being paid at certain fixed periods, and the revenue being collected in, and thereby the currency being reduced during the current quarter of every year?—Upon those circumstances as well as upon many others.

4777. Should you not anticipate, so long as there is any standard of value at all, whatever commodity may be chosen for the standard, that there would be still great fluctuations

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fluctuations in the quantity of such gold, and in the Foreign Exchanges, and in the rate of discount?—I should anticipate great fluctuations in all of them.

4778. Whatever might be the commodity which the currency represented?—It is my belief that those fluctuations would certainly occur under a currency referrible to any definite standard whatever.

4779. Do not you think there are fewer fluctuations so long as the definite standard is gold or silver, than there would be if that currency represented any other one or two commodities?—I can have no doubt that that standard is much less liable to variation than any other.

4780. Do you think it is any objection to the present system of a metallic standard, that the quantity of currency, the price of articles, the rate of discount, and the rate of Exchanges, are found to be liable to great fluctuation?—I do not see that that difficulty could be got over under any system.....I would beg to be permitted to add one observation with respect to the publicity of the bullion in the Bank. Reports of the amount of notes in circulation seem to me useless and delusive, unless the amount of bullion be communicated too, so that the fluctuations in the currency can never be accurately understood if that essential information is withheld, nor can you possibly know what quantity of notes the Bank have out at any given moment. If the Bank of England issue a million of notes in the purchase of an equivalent amount of bullion, that really is no increase of the circulation at all, any more than it is an increase of the circulation when a London Banker sends in a thousand sovereigns, and receives in exchange for them a thousand pound notes. If the total quantity of notes out were returned, without any report of the cash and bullion, the Bank of England would then appear to have increased its circulation; whereas really the circulation would be just what it was before. I therefore beg leave to suggest, that with the view simply of informing the Public accurately what is the amount of Bank notes out at any one moment, it is essential that the quantity of bullion in the Bank at that moment should be known also.

4781. You say that if the Bank of England issue notes in the purchase of bullion, that is no increase to the amount of circulation; is it not an increase to the amount of the circulation, if a person takes bullion in ingots to the Mint and gets it coined?—I apprehend it is no addition to the bullion value of commodities in England, which would be just the same if that operation had not been performed.

4782. You think that the effect upon prices would be the same, whether an individual having bullion took it to the Bank and received Bank notes for that amount, or whether he took the bullion to the Mint and had it coined into sovereigns, which were returned to him?—Certainly.

4783. Would not the addition of five millions of coin in the country have the same effect upon the circulation of the country as the issue of five millions of paper?—Undoubtedly; but when the Bank give five millions of notes in purchase of bullion, they withdraw as much coin, or prevent as much bullion from being coined, as they introduce of fresh paper. If an individual chose to take his gold to the Mint and have it coined into sovereigns, and then subsequently took it to the Bank and exchanged it for Bank notes, the Bank of England cannot then be supposed to add any thing to the circulation; whereas under the present system of returning the amount of notes out, without publishing the amount of bullion in their possession, they would appear to have enlarged the circulation considerably.

4784. In fact, you consider that the publication of the issues only, on the part of the Bank of England, without at the same time publishing its reserve of bullion, would lead to the formation of most inaccurate opinions upon the subject of the circulation?—I think most inaccurate opinions would be formed, and actually have been formed, with regard to the state of the Bank circulation during various periods of preceding times, owing to the fact of the Bank of England's amount of bullion not having been known, or not having been attended to.

Martis, 24^o die Julii, 1832.

THE RIGHT HON. LORD VISCOUNT ALTHORP, IN THE CHAIR.

N. M. Rothschild, Esq. called in; and Examined.

4785. HAVE you had any extensive experience in Exchange transactions?—

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Esq.*

Yes.
4786. In those transactions, are you accustomed to make any estimation of the par of Exchange; and if so, how do you calculate it?—There is no par of Exchange; it depends entirely upon what the value of gold abroad is, and upon that principle you can only take the par.

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4787. Then the par would be ascertained, according to your estimation, by calculating the value of the currency of one country against the other, and adding thereto the premium there might be upon gold?—Yes.

4788. That would give you not a permanent but a fluctuating par?—The principle is this; Suppose the Exchange shall be 25.20, what in general the English people call the par, if the Exchange is against us, then you would be obliged to send a great deal of gold from this country, and you get no premium upon the gold, the Exchanges will be just as you coin twenty franc pieces for it, which will make it sometimes 25.10, and sometimes 25.15, after deducting some small charges on the transit.

4789. What are the greatest variations you have known in the price of gold at Paris within the last seven years?—It was sometimes a quarter to three-eighths per cent premium; but lately, as the gold comes from foreign countries to this country, it is about one to two per cent premium; the higher our Exchange goes, the more the premium abroad rises. If our Exchange here goes to 25.80, the premium of gold gets up in Paris proportionately.

4790. Then your transactions in Exchange are calculated upon the premium on gold?—Certainly.

4791. What is the present market value of silver as compared with gold?—Standard silver is about 59*d.* per oz.; it changes from day to day; silver has been 60*d.*, but the importations have been very large, by which silver was lowered 1*d.* per oz. It depends upon the importation; if there is a great importation from South America, silver will fall.

4792. Has silver fallen lately?—Yes, about three-halfpence; it has been 60½*d.* it is now about 59*d.*

4793. Do you find that the former calculation of the estimated value between silver and gold has lost its proportion?—I think gold is higher than silver, because there is not so much importation of gold as there is of silver.

4794. Do you find that the wants of this country for gold have materially tended to increase the value of that metal in the markets of the world?—No doubt of it; if you want a great deal of gold here, it will rise in price abroad, according to the nominal rate of Exchange.

4795. From your experience, is it your opinion that the Exchanges between London, Paris, Amsterdam and Hamburgh, can be ruled by any individual or any combination of individuals?—For a little while. Suppose a powerful man goes on the Exchange, and buys on two or three post days very largely, he can influence the Exchanges; but it is not possible that he can guide them for a long period.

4796. Would it not be in the power of an individual to guide the Exchange in proportion to the extent of his capital?—That depends upon circumstances, how business is; if there is a great exportation, he can buy from 150,000*l.* to 200,000*l.* of foreign bills.

4797. Have you ever, from your own experience, observed how long a time the Exchanges were susceptible of being acted upon, by capital employed for that special purpose, and for that particular object?—I do not remember, for these last ten years, any individual House on the Royal Exchange buying bills in that way; in general, business upon the Royal Exchange is done fairly; if any person requires bills, he purchases them to remit them abroad, either to get a commission by it, or in return

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for goods imported ; but in the way of speculation, it was never done, that I remember, to any considerable amount.

4798. Have you observed that the Exchanges are materially altered by the operations of the Bank of England, such as increasing the issues of notes, or diminishing them ?—When the Bank diminishes its issues, there is always a fear on the Royal Exchange to do business, because if money is made scarce, every man of real property draws in till he sees how far this scarcity of money will go, but for long it has no effect, it will always find its level, and the Exchanges come round again.

4799. Then, supposing the Bank of England were to diminish its issues, so as to produce an effect upon the money market, how long would it take before the effect was felt upon the Exchanges ?—It is not possible to judge. The effect on one side is good, and upon the other side it is bad. Persons of real property will do no business at all, and the manufacturers and persons in working business are obliged to send their goods abroad, and to sell at any price. But in the meantime things come round, and the Bank can never guide the Exchanges for long ; it may do for a short time, for a couple of months, but it is not in any one's power to do so for long. This country in general is the Bank for the whole world ; I mean, that all transactions, in India, in China, in Germany, in Russia, and in the whole world, are all guided here and settled through this country, so that it is not possible for any power to guide the Exchanges for so long as two or three months.

4800. Then you hold, that the balance of payments with those countries with which you trade, really and truly is the only guide for the rate of Exchange ?—Certainly.

4801. When there is an unfavourable Exchange, that is to say, when gold is flowing out, would you consider that the Bank of England could regulate that Exchange, and make the gold flow back again by curtailing their issues of Bank notes ?—For a little while the Bank can do a great deal, because they may deter any rich man from doing business, and they may stop the whole course of trade, but it is not possible that it should last long, because the Exchanges will come round soon, whatever the Bank may do. A great many people will be obliged, when money gets very scarce, to sacrifice and to sell all their property ; but in the meantime persons of real property will be quiet, and wait till every thing is clear and settled.

4802. By what different channels and means does a scarcity of money operate upon the Foreign Exchanges ?—There are a great many merchants from the West Indies, who have bills running upon them for coffee and different kinds of produce which they cannot sell here, by which they are obliged to send to the Continent, and to draw bills for it ; and against those drafts there must come some remittance back again for it ; and people of property will not involve themselves in any acceptances ; and upon that principle, as there are no bills upon the Continent, gold must come from the Continent.

4803. Have you known particular periods when, money in England being very scarce, the merchants in England would not make the usual advances for consignments ?—I think it was so in 1825 ; a great many persons would not accept upon wool and different other produce. I know that a great many merchants were obliged to send large quantities of goods abroad, purposely to draw upon the Continent to raise money.

4804. Is it your opinion that from the usual mercantile transactions of this country with the world, the Exchanges would almost invariably be in our favour if they were not interfered with by demands not strictly commercial, such as foreign loans, and such as advances at particular periods to Foreign Governments requiring gold for warlike purposes ?—Suppose we have a bad harvest in this country, and we import very largely corn, this will have an effect immediately for a short time, but in general the Exchange is always in our favour ; but if loans are made, I do not think they will hurt our Exchanges much, because most of the capitalists who hold funded stock, in general change one stock when they take others, so that it is only a change of property. For the last four or five years I have found that when a new loan is made, most capitalists only changed one property against another, and very little property is wanted from this country.

4805. Supposing that since the year 1820 the amount of foreign loans raised in this country should be fifty millions, must not that periodically have deranged very much our Foreign Exchanges ?—There is no doubt foreign loans to the amount of fifty millions, which is a very serious sum, would have that effect ; but in the last few

few years I know that every foreign loan that has been made has done very little injury to the Exchanges, because an immense deal of stock has always changed hands, and been resold to foreign capitalists with a profit.

4806. Does not the interest upon foreign loans at present operate the other way; is there not a large annual balance of payment now made to this country as interest upon foreign loans?—Certainly.

4807. Do you apprehend that the interest received from foreign loans, for some years past, has amounted to the capital that has been employed in creating those loans?—It has brought a great deal of money here, no doubt, but I cannot exactly state the amount.

4808. From the evidence you have given, is it your opinion that the Bank of England, in looking at the Foreign Exchanges as the guide of their issues, act upon a principle that is correct with regard to their own safety, and a principle that is useful with regard to the Public?—For his own safety, every man has a right to take care of himself; but with regard to making money scarce, I do not think we have occasion to be afraid, because if gold is wanted to send abroad, they may make money as scarce as they like; it will go, because for what reason is gold wanted? Gold is wanted if there is a war, and in that case Foreign Governments will give two or three per cent more or less for the gold, because they must have it. When the Emperor of Russia made war in Poland lately, gold, which went from Hamburgh to Petersburg and Warsaw, was paying from three to four and five per cent profit; if five per cent will not pay it, ten per cent will be given.

4809. How does he draw away the gold circulation from France?—In the same way.

4810. To what extent?—It is not possible to say; if the Prussian Government want gold, they will take it at the lowest price offered.

4811. Do not you find from experience, that the premium of gold at Paris, at Hamburgh, and at Amsterdam, rises in proportion as that species of demand is urgent or otherwise?—Certainly; if it rises at Hamburgh, it becomes higher in Amsterdam and in Paris; it levels itself nearly within a quarter per cent in all the three places.

4812. Your opinion is, that the Bank of England, in attempting to regulate the Exchanges, have not the power of doing so?—The Bank of England has great power if they do not care to sacrifice money; if the Bank of England wish to make money very scarce for a time, they have it in their power to do so; but the Exchanges cannot be guided by any body unless circumstances favour it. If there is a war, and the Foreign Governments want specie, they must have it. I remember France made a loan at 50. and now they want to make a loan at 90. If any Government wants gold, it does not care about any price for it, if they can only get it. So that upon that principle, the Bank has great power to guide the Exchanges in peace time and in quiet times by making money very scarce; but in the regular way it is not possible that any body can guide the Exchanges.

4813. Does not a Foreign Government want gold only to pay it away?—Yes.

4814. When it has paid it away, will it not soon come back?—It does not return so soon in war time.

4815. In the case of the war between Russia and Turkey, how soon was the effect produced upon Foreign Exchanges, by taking gold for the payment of the armies, counteracted, and how soon did the gold come back and operate in a contrary direction?—It is impossible to fix when it came back, and how, it depends upon the demand for your produce; if those people have a demand for your produce, and have no bills upon England, they are obliged to collect the gold and send it back again; but in case they have no demand for our produce, the gold is distributed over the world, and does not come back again so easily.

4816. What was the effect produced upon the market of Europe, for gold, by Russia in the war with Turkey?—I believe it was two or three per cent premium.

4817. How much gold do you think was actually sent out of this country to meet that Russian demand, by persons parting with sovereigns of which they had possession, or presenting notes upon the Bank and drawing their money out?—It is impossible to say.

4818. Do you think it was to the extent of 500,000*l.*?—More than that.

4819. Was it not advantageous to this country, inasmuch as it got a high price for the gold so sent out?—No doubt it did that good; but in the mean time, when you want the gold in, you give again a good price for it, because you are obliged to sacrifice a great deal of property to obtain it.

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4820. Do not you part with it at a high price estimated in commodities, and does it not return back at a moderate price to this country?—There is no doubt you got a good premium upon the gold; but on the other side, if in consequence of a good deal of gold going away from this country, the gold becomes scarce, the manufacturers are obliged to send abroad the manufactured goods so much cheaper, so that in the long run you do not get any thing by it. When you want it back again, and you force the market and make a scarcity, the gold never rises, the gold will always bear a regular premium, but the goods you send abroad for it will be sacrificed.

4821. When a premium was paid of two or three per cent upon gold, how much were the Exchanges affected?—The premium of three per cent is not paid here, the premium is abroad; the man that delivers it to the Russian Government gets the two or three per cent, the real premium here is only just at the exchange of 25.20; at present the exchange is 25.80, and that makes two per cent in favour of bringing gold here; at that time the Exchange was 25.15 and 25.20.

4822. Is it not the case that gold is always demanded for the military chests, in preference to silver?—Certainly, for every army. I recollect, about six months ago, a Foreign Government wrote over to get gold from here, purposely for the military chests to the amount of about 100,000/.

4823. So that a war in any European country has invariably the effect of creating a demand for gold?—Certainly; any European army has generally from 20,000/ to 30,000/ in gold.

4824. Does not an army always require gold in preference to silver, without any reference to their comparative values?—They do not care for the price, if they want it, they will give any price for it, being more portable.

4825. After the last loan contracted for by the King of Prussia, did you ever understand that a very considerable portion of the entire sum was kept in the military chest in sovereigns, ready for any purposes of war?—The Prussian Government has no military chest.

4826. The Bank of England, by diminishing issues so as to depreciate the value of commodities, may in time operate upon the Exchanges, but in doing so, does not that operation of the Bank of England disturb the value of every commodity throughout this country?—There is no doubt if money gets scarce, every kind of property will be cheaper, but the Bank will not do so without a reason, the Bank is not a kind of body that wishes to do injury to any property.

4827. Must not they sometimes do so for their own protection, if they have to pay their notes in specie?—If the Bankers and the people in general are alarmed, they take all the gold away; the Bank will take care to protect itself, no doubt.

4828. In your experience, for some time past have you found that there have been greater fluctuations in the demand for silver, or in the demand for gold?—The demand is in general alike in both, if the Exchange is against us; but lately there has been more importation of silver than of gold.

4829. Would silver regulate the Exchange precisely as gold?—Certainly; and in France and on the Continent, rather more.

4830. You have said that when any of the Continental Powers wish to supply their military chests, they always make a demand for gold?—Certainly.

4831. Does not that produce considerable fluctuation in the value of gold?—Not very much, because gold in general is not so much wanted on the Continent as silver; silver is the regular coinage of those countries.

4832. Do you think that the value of silver is as little subject to variation as the value of gold?—Silver has no variation, because there is a coinage of silver; so that there can be no great difference in silver, except at some times when it is wanted by any European Government for particular purposes.

4833. Has there been a great export of gold from France at different times, for the purposes of foreign war?—Certainly; in general the gold is bought up in France, before it goes from this country; and if there is a scarcity in France, then it is fetched from here.

4834. Does the demand for gold from France produce a scarcity of money in France?—No.

4835. Why is that?—Because the gold is in general in private hands; it is merchandize there.

4836. If there was a demand for silver from France, would not that produce a scarcity of money in France?—Certainly, because it is the coinage of the country.

4837. Then

4837. Then whenever there is a demand upon a country for a metal which is the standard of value, it will produce a scarcity of money?—Certainly.

4838. In the winter of 1825, was the supply of gold that was required for this country, supplied in a great measure by the Bank of France?—No; there was a good deal supplied from the whole world; I imported it, and it was imported almost from every country; we got it from Russia, from Turkey, from Austria, from almost every quarter in the world.

4839. Did not a considerable portion of that supply arrive in sovereigns?—No; in the beginning we imported about 400,000 or 500,000 sovereigns, which had been sent over to France when such an enormous quantity of goods came to this country in 1824, in consequence of Mr. Huskisson's measure at that time.

4840. Has the supply of gold from America been increased within the last few years?—We have an account that the mines have produced upwards of 500,000 pounds of gold last year.

4841. Can you state what the silver mines in North Carolina, in the United States, have produced?—I am sorry to say I am not acquainted with it, but a great deal of gold has come lately from North America.

4842. If there is a demand for gold for exportation from this country, is not that generally supplied by the Bank of England?—Yes, that is generally supplied from the Bank. The Bank keeps an office, which is called the Bullion Office, and when a merchant brings gold or silver, it is deposited there.

4843. In times of political alarm on the Continent, when a disposition to hoard arises there, what is the metal that parties seek for that purpose, is it gold or silver? Most part of it is silver, gold is at such a premium on the Continent.

4844. Do you know whether it is difficult at times to procure gold for the purposes of currency in France?—Yes, we supplied the Bank of France, in the time of war, with gold sometimes.

4845. Is it sometimes difficult for individuals, in the ordinary use of the currency, to procure gold, and do they sometimes give a high premium for it?—Yes; in the time when the last crisis was in France, they gave two per cent for gold.

4846. You recollect the period of the Panic in this country in 1825; can you state to the Committee the causes which you believed produced that crisis of affairs?—In 1824 there was a great speculation in wool and in spelter, and in different articles; an immense deal of bills had been drawn upon this country, from almost every quarter; I myself received to an enormous amount of bills in the course of two months, from a million to a million and a half sterling. At the end of the year an immense deal of specie was obliged to be sent to the Continent, to take up those bills, because if that had not been done, and those bills had fallen one or two or three per cent, it would have given a great alarm; then in 1825, when the Bank found that a great deal of gold was going away, the Bank drew in, and would not discount. In the meantime there was an immense deal of speculation in corn, by which our warehouses were filled, and the Bank then began to refuse to discount the corn bills, and some of the wool bills which came from Vienna, and likewise some bills drawn for spelter and other produce.

4847. From your observation, has the Bank made any discrimination with respect to the species of demand which arises occasionally upon them for gold, that is to say, whether it be for the payment of loans or payment in consequence of demands to supply foreign Governments, or otherwise, or whether they treat it as a common demand arising out of our general commercial transactions?—The Bank never interferes; any person that pleases may send over his Bank notes, and the Bank never inquires what it is for.

4848. Do you not think that it would be an advantageous attention on the part of the Bank, to observe what the demand is for, and whether it be for a special purpose, or whether it arises out of circumstances that may be permanent in their nature?—There is no doubt that, as the Bank Directors are clever men, they will know, if any person sends for gold largely, what operation is going forward, but they do not ask him any question whatever; you bring in your Bank notes, they give you the gold.

4849. Might it not be judicious in the Bank to alter their system, according to whether the demand was special or likely to be permanent?—I do not know how the Bank could change their mode of paying Bank notes; if I have a Bank note and I want sovereigns for it, I have no occasion to tell the Bank for what I want it, but they must pay upon the demand.

4850. The question does not assume any doubt of that; but the question

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assumes, that the Bank might be justified in diminishing their issues if the demand for gold were to be inconvenient, when they might not be justified if the demand was limited and for a special object, the extent of which was known to the Bank? —The demand for gold is upon a different principle. There is no man in this kingdom who can send away so large a sum of gold at once as will make the Bank alarmed. The gold goes out gradually; it does not go all in one week or in one month; it will go in five or six months' time; and if it is an operation for supplying a Government, it is not all wanted at the same time; the Government abroad want it one month after another, and they give time enough for collecting it. If there is a bad harvest and any large quantity of gold goes abroad, every merchant will know it; if gold is wanted in Hamburgh, every body will know it; if gold is wanted in Amsterdam, the Exchanges will let you know it; if gold is wanted for an army, the Bank will know it immediately; if gold is wanted for the importation of corn, for importation of wool, or for any other importation, the Exchanges themselves will show it.

4851. Supposing that any capitalists are engaged in making a great payment at any one time abroad, ought the Bank to take that into consideration, and to diminish the circulation of the country, in order to counteract that export of gold?—No, I do not think the Bank has any right to interfere in any such kind of transactions; because, if monied people are engaged in those transactions, and they cannot get gold at two per cent, they will give five per cent, and therefore it will do no good for the Bank to make a scarcity of money when they cannot control it, unless the law shall be, that no man in this country shall make any foreign loan; but as long as the law is, that every person here can make a loan, and do whatever he likes with his money, it will do no good to interfere.

4852. Supposing the bullion is drawn from the Bank by paying in an amount of Bank notes, do you think that the Bank ought to take any extraordinary steps to issue those notes again to the Public?—It depends upon how the Bank feels it; if the Bank feels itself strong enough, it may do it; but they must act according to their means.

4853. Would not the effect of the Bank notes being paid in order to draw out gold from the Bank, be to diminish the amount of the circulation of the country to the amount to which the notes were so paid in?—There is no doubt of it.

4854. Do you think, then, that in such case the Bank ought to go into the market and purchase exchequer bills or other securities, in order to push its notes out again, beyond what the usual demands of the commerce would require?—It depends upon circumstances; if there is a general war, the Bank should protect itself; but if there is no war, and it is only a commercial business, the Bank should try to keep the circulating medium open, because it is only a temporary circumstance, and the country will afterwards have the benefit of it.

4855. Would the conduct they ought to adopt depend upon the extent to which the Exchanges at the time may happen to be affected?—Certainly; if it is to a very serious extent, they must act accordingly; but in general, in a time of peace, it is of no great consequence.

4856. When commodities are cheap in this country, has it not a tendency to turn the Exchanges in our favour?—There is no doubt it has; then you get a good many good customers from the whole world, who wish to purchase their articles here.

4857. Does not the Bank contracting their issues tend to make commodities cheap?—Certainly.

4858. Will not the Bank contracting their issues tend to turn the Exchanges in our favour?—Not always, it may for a time; but it is not possible that the Exchanges can be kept down or kept up, unless the real trade goes along with it.

4859. Will not the Exchanges be generally in our favour as long as commodities are cheap in this country?—It does not depend altogether upon this country's commodities, it depends upon the general trade.

4860. Do you think that lowness of price, which is caused by a contraction of issues, makes any great difference in the foreign demands for our manufactures?—No, I do not think so; but the reason is, that a great many people abroad are deterred from purchasing, because they do not know to what value the produce or the manufactured goods may rise.

4861. Will not the export of goods be greater under low prices than it will be under high prices?—You will export a great deal of goods; you will sell two pieces for one.

4862. Is

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4862. Is not that increased demand from abroad in consequence of the cheapness of price here, the mode in which the Exchanges turn and are rectified?—The exportation may be more from the Custom-house, but I do not think the consumption will be increased; if goods are too cheap, they will not sell so well.

4863. You have stated that you consider that the Exchange, but for foreign loans and for advances to foreign Governments, would be almost always, under mere commercial transactions, in favour of this country?—Yes, unless you have a great importation of corn.

4864. Will you state the grounds upon which you consider that to be the case?—If you send manufactured goods abroad, you send them gradually, and you receive your remittances every month gradually for them; but if you have an importation of corn, every corn merchant writes abroad, and gets his corn shipped immediately, and the bills are drawn, and a great quantity of bills come all at once from the Continent.

4865. If the Exchanges be in the long-run almost invariably in favour of this country, must not that be because there is a considerable balance owing from other countries to this?—Yes.

4866. How do you consider that there is a considerable balance owing from other countries to this?—Because England is the place of settlement for the whole world; what is wanting in India, in the Brazils, &c. gets settled here; and secondly, suppose you import iron from Sweden, if you receive 1,000*l.* worth of iron and manufacture it, you will then get 10,000*l.* for it, and then when it is manufactured it is sent to all the world. Suppose you get cotton from America, the cotton costs there 3*d.* or 6*d.* a pound, but when it is manufactured, that pound of cotton is worth four times as much. In the regular course of things, the Exchange with every country must be in favour of this. But upon the other side, wool and other commodities come in here from abroad. Besides which, there are a great many English living abroad, and when loans are made, or when corn or wool, &c. is imported, certainly the Exchange will go against you, but not for any length of time.

4867. You consider, then, that it arises from this country being the great emporium for the commercial transactions of the world?—Certainly; if this country is left alone, I think it is the first country in the world.

4868. And therefore the more that can be done to make this country the emporium of the trade of the world, the more advantageous it is?—Yes.

4869. Do you think the quantity of commodities that we export or import depends upon the quantity of Bank notes in circulation?—No, that will depend entirely on the relative supplies and demands in the several markets.

4870. Do not you think that when money is abundant, discounts are easily obtained, and the prices of commodities are rather high?—Of course when money is abundant, bills are easily discountable, but that does not influence materially; the price of commodities depends entirely upon the importation; if you have plenty of commodities from the rest of the world, persons will buy them, and they keep a fair price.

4871. If your opinion be true, that if there were no importation of corn into this country, and if there were no foreign loans wanted from this country, the Exchanges would always be in favour of this country; must not it inevitably follow that all the gold and silver in the world must come to this country?—It will tend to come here.

4872. Must not there be some counteracting check?—Yes, if there was not, the world could not go on; if we had not sometimes importations of corn, and sometimes foreign loans wanted, I do not know how the people on the Continent could live.

4873. You have taken into consideration the commodities that go out, but have you taken into consideration the wine and other articles brought here for consumption?—If it were not for those things, I do not know what would become of the people abroad.

4874. Do not you think that all the articles of luxury consumed here in exchange for British manufactured articles, have a tendency to correct the Exchanges?—Partly.

4875. What are the materials by which you form your judgment?—By dealing extensively in bills I can judge. The bills on wine and brandy are of no great consequence; they may amount to a couple of millions or thereabout; but in times of

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quiet, I purchase regularly, week by week, from 80,000*l.* to 100,000*l.* worth of bills, which are drawn for goods shipped from this country.

4876. You think that, putting aside the foreign loans and the importation of corn into this country, there is such a surplus of articles exported from this country above those imported, that there is a regular payment of gold from the whole world to this country?—Certainly, that is my opinion; I experience it so in my own business.

4877. In order to form a judgment upon that subject, is it not necessary to take into account the whole transactions of the empire, and not to judge merely from the transactions of any individual merchant?—The result proves it, because what I receive in large sums, other people receive in small sums. I buy on the Exchange bills drawn from Liverpool, Manchester, Newcastle, and other places, and which come to every Banker and Merchant in London. I purchase 6,000*l.* or 7,000*l.* and sometimes 10,000*l.* of those bills in a week, and I send them to the Continent to my houses; my houses purchase against them bills upon this country, which are drawn for wine, wool, and other commodities; but if there is not a sufficient supply of bills abroad on this country, we are obliged to get gold from Paris, Hamburgh, and other places; which proves that the bills drawn upon the Royal Exchange must bring the gold from those countries.

4878. How do we get rid of the gold?—It is drawn out of the Bank in the shape of coin. Likewise the increase of population has a great tendency to augment the demand for specie.

4879. Did the run that took place two months ago take the gold out of the country?—No, it was caused by demands in the country.

4880. If gold is constantly flowing in, does it not produce the very effect which you consider so desirable for this country, namely, to make the currency abundant?—Certainly.

4881. Does it not happen that the more gold there is, the higher the price of commodities will be?—I do not think so.

4882. May not the excess partly be taken off in gold plate?—Certainly.

4883. Does not what you have stated, prove that there is a gradual impoverishment of every other country in the world?—I do not know that; because you must consider the quantity of gold we receive from the mining countries. We bought lately in Paris 800,000 pounds of gold, which came from the Dey of Algiers, that was locked up in his cellar, and did nobody any good.

4884. If other countries are not able to pay their debts to us by sending to us the commodities they produce, but are obliged to send us gold, must they not be in a state of gradual impoverishment?—Certainly, and what is the consequence? the result is, that we always make a loan when they get very poor; they always come for a loan of five or ten millions, or whatever they want.

4885. Do you think they are in a state of gradual decay?—I do not say that they are decaying, but they may want money occasionally.

4886. Do you consider that the occasional demand for corn in this country, in large quantities, to be one of the causes which operate most upon the Exchanges?—Yes; because if any person imports corn largely from abroad, he wishes to bring it to market immediately. Most persons who deal in corn have but limited credit; they draw their bills immediately, and sell them without reference to the Exchange, and that always has an effect.

4887. Therefore the demand for corn occurring only occasionally, when it occurs it disturbs the Exchanges, and acts injuriously upon the currency of this country?—Certainly.

4888. How were we paid for our goods during the Bank Restriction, when we did not require gold?—The Bank paper was exactly like money, the Exchanges on Amsterdam went down at last to eight guilders, and it is now at twelve guilders; the Exchange was against this country 32 per cent.

4889. Did not that arise from an excess of circulation?—No, it arose from the great expenditure by the armies of this country; and likewise there were subsidies paid to foreign Powers.

4890. Was it not owing to our foreign expenditure for warlike and other purposes upon the continent, that our paper was so much depreciated?—Certainly, you had a great many payments to make upon the Continent.

4891. Then your opinion is, that it was not from excess of paper, but from foreign expenditure, that our paper, compared with the gold, was so much at a discount?—Yes.

4892. What

4892. What is the meaning of excess of paper in this country; how do you determine the excess of paper?—I have not said “excess of paper.”

4893. Do you think the depreciation was 33 per cent?—I cannot say exactly.

4894. Is not the premium at Paris upon gold, by the quotation of this day, three per cent?—It is one per cent; I have received to-day 1,400,000 francs from Paris, and it cost me 14,000 francs premium.

4895. In November 1825, after the Exchanges had turned and become favourable to this country, when the Panic was considerable, did the Bank of England refuse to discount good bills?—I think the Bank of England discounted all the bills sent in as liberally as possible; at the beginning, the Bank was rather timid, and did not discount so freely; but about fourteen days after, the Bank discounted every thing; they behaved in the most liberal way that could be.

4896. The question refers to the period before they became so liberal, after the Exchanges turned and became favourable, and before the Panic reached its height; was the Bank of England liberal in its discounts at that period, or did it at that time reject good bills tendered for discount?—Before the Panic began, there were an immense number of bills drawn for corn, wool, spelter, &c.; and when the Bank found so many of those bills coming, they refused to discount; but about ten or twelve days after, the Bank found it would do no good not to discount, and then they discounted any bills that were sent in, drawn on good houses, to any extent.

4897. The object of the question was to distinguish between the period when the Exchanges were unfavourable in the end of October, and the period when the Exchanges turned in November, and prior to the Panic having reached its height; was there not an intermediate period, when the Exchanges were favourable, and when still the Bank were very restricted in their discounts?—No doubt, because so many bills had been drawn on this country by speculations in corn, wool, &c. that the Bank thought it right to discourage speculation by limiting their discounts; but in consequence of the run in the interior of the country, and the failure of some Bankers, the Bank then did all in their power to relieve the distress, and they discounted as liberally as any body of men could do, and they deserve the greatest credit from the country for what they did.

4898. Would not the restriction of discounts by the Bank while the Exchanges were favourable, have the effect of increasing alarm and increasing distress?—No; there was so much speculation at that time, there were so many bills drawn upon this country for the produce which I mentioned before, for corn, wool, &c. that the Bank were induced to check speculation by not discounting those Bills so freely.

4899. Must not the spirit of speculation have been checked before the Exchanges became favourable?—No, it was checked before the Bank discounted very largely, when the Exchange was against the country.

4900. At the latter end of November did not the Bank refuse to discount bills?—Yes.

4901. Do you think that discounting largely with an adverse Exchange, and contracting the discounts with a favourable Exchange, and a Panic rising, was prudent management?—I think the Bank managed at that time very well indeed; there was a great demand for specie, and a great demand for discounts, and very great speculation, and a great many Bankers failing, and I think the Bank at that time acted in as honest and conscientious a manner as could be.

4902. Were you aware at that time that the amount of bullion in the hands of the Bank was very small?—It was reported so, but no man knew how much the Bank had.

4903. Can you generally form a tolerable guess as to whether the Bank is well supplied with bullion or not?—No.

4904. You have described London as the centre to all the great commercial transactions of the world, do you think there would be any advantage in having Joint Stock Banks in the Metropolis, and each of those Banks issuing its own paper; or do you think it would be better to confine the circulation of paper to one Bank like the Bank of England?—I think you must leave it to one Bank; because, if you divide it amongst several Banks, every Bank will be jealous of the other; and if the Bank of England had 4,000,000 of gold, another would say we will have 4,200,000; but if the strings are all in one hand, and if one Bank holds the specie, it can be useful to the Government, useful to the country, and useful to every body. If there were several Banks, one of them might act in an imprudent manner, and cause a run

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upon itself, which would materially prejudice the others, and shake confidence to a great extent.

4905. Upon the whole, you think there is more steadiness in the circulation insured by having one Bank of issue in the Metropolis than by having several?—Certainly.

4906. Do you think that by having one great Bank, it has a greater hold upon the circulation, and can act more decidedly in a time of crisis?—I do not like the phrase “hold of the circulation.” I like the Bank of England to be the head Bank, and to have all the specie under their care, and to have all the issues under their care, and to be as liberal of money as they can.

4907. Do you think there would be any disadvantage in the Bank of England being required to publish from time to time an exact account of the whole of its transactions, which should include a statement of the whole of its public and private securities which it holds, the amount of deposits, the amount of Bank notes issued, and also the amount of bullion held by the Bank?—I think it would be a dangerous plan for this country.

4908. Is your apprehension of danger limited to a disclosure of the amount of bullion?—I think it would be a party business. Suppose the Bank published at one time that they had 10 or 12 millions of gold, and suppose at the end of the next six months they had only nine millions of gold, and after another six months only seven millions, people would be alarmed, and there would immediately be a run upon the Bank for gold.

4909. Suppose the effect of publicity was to make the Bank keep in its possession a regular amount of bullion?—Then you must stop the issue, and say, As soon as you find you have only five millions of gold, you must issue no more. I think it is much better that the Bank should not tell to the Public what gold and what silver they have.

4910. Supposing that in the operations of commerce the Bank note maintained its full value in gold, what should induce individuals under ordinary circumstances to go to the Bank to get gold?—We are not all alike; many persons would be frightened, and would go to the Bank and get a great quantity of sovereigns to lay them by.

4911. Supposing persons saw from the periodical publication of the Bank affairs, that by comparing the deposits and other liabilities of the Bank with the amount of public securities and the amount of their bullion, the Bank were perfectly solvent, and that their means greatly exceeded their liabilities, do not you think that the knowledge of that fact would tend to prevent any alarm?—A great many people do not read at all: if they hear there is a great deal of gold fetched from the Bank, they will all run like a flock of sheep, and fetch their money out.

4912. Do not you think that if persons like yourself, of intelligence and wealth in the Metropolis, showed entire confidence in the ability of the Bank of England to meet all its demands, that would tend to discourage the alarms of ignorant people?—No, it is not possible; we may do all we can, but when people get frightened, one fetches his 10*l.* and another his 20*l.* and the middle class of people will all fetch out their money.

4913. Supposing the rule of the Bank is to keep one-third of the amount of their liabilities in bullion, do you think it possible that any alarm of that kind could endanger the drawing out of the whole stock of bullion?—It will not endanger the Bank, but it will endanger the commercial business. Suppose the Bank has 30 millions altogether, and they have 10 millions of gold, and suppose that from the 10 millions of gold there is six or seven millions taken out, if I was a Director myself I should be frightened, and afraid of stopping payment, unless I had a paper in my pocket, signed by the Government, saying, You have no occasion to pay in gold.

4914. Why should the drawing out of the gold derange commerce, because the gold can only be drawn out by carrying in Bank notes?—Suppose any London Banker has 100 customers, and they have balances of 500*l.* or 1,000*l.* each, and they determine to have a large quantity of gold at home, they draw their balances from the Banker, and the Banker finds that instead of having 500,000*l.* he has only 100,000*l.* Then that Banker has other customers who want discounts, and when they come to him for discounts, he cannot afford them; then those customers go to the Bank, and the Bank says, If we give these discounts we shall be obliged to issue Bank notes, those Bank notes may be fetched away again, and gold demanded for them, and we cannot go on upon this principle. Then those people that want

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to buy produce have not the means, and they must stop from shipping; and the man that buys bills on 'Change, when he gets no bills in return for them, does not buy any more bills on 'Change, and stops gradually the whole machine. And who are the persons that have the gold? it is not the large monied men, but the middle class, who are the first to take alarm.

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4915. Do you think that class of people believe now that the Bank have deposited in their coffers a sufficient amount of bullion to pay all their notes in circulation?—That question would be answered best by sending to the Governor of the Bank, to know what was the amount of the notes that were brought for payment at the time of the run, and by whom? You will find that it was the middle class of people.

4916. Does the gold circulate the same as Bank notes, and does it answer the same purpose?—Certainly.

4917. Do you mean that gold drawn out for such a purpose as that, circulates?—Certainly; a poor man that has 10*l.* or 20*l.* fetches his money away. There is about fifteen millions in the Savings Banks belonging to poor people.

4918. Does not the Bank of France publish periodically an Account of the whole of its transactions, including the amount of its bullion?—Yes.

4919. Do you know what amount of specie is kept by the Bank of France, in proportion to their liabilities?—I believe that the Bank of France has two hundred and fifty millions in silver; I think they have outstanding a third part this sum in Bank notes; that is, supposing they have six millions sterling in specie in their coffers, they have two millions sterling of paper in circulation.

4920. Do you now know whether the Bank of France are thinking of issuing paper for 100 francs?—No, it is not the case; they do not do it, because there have been so many forgeries made in the 500 franc notes.

4921. Have they had it under discussion?—They have.

4922. Was the fear of forgery the chief cause of their abandoning it?—Yes, I believe so.

4923. Do you know what is the practice with the Banks in the United States, with respect to the publication of their Accounts?—I am sorry to say that I cannot state.

4924. Is it the practice of the Bank of Prussia, or any other Banks on the Continent, to publish their Accounts?—No.

4925. In those Banks, does not the amount of notes bear a very small proportion to the whole circulation?—They have a very small quantity of Bank notes out; but they have a very small quantity of silver, too, in the Prussian Bank at Berlin, the whole amount is three millions of dollars.

4926. To what extent do you think it possible that a combination of four or five individuals acting together, could draw money from the Bank of England, for the purpose of distressing or breaking the Bank?—I do not think any body can do it; suppose there are five people that have got a million sterling, they can take their own money, but they cannot take any more, and they will soon be tired of that, because they will not get any thing by it.

4927. Therefore, in case of a publication being made by the Bank, you do not think the Bank would run any great risk of being distressed by any combination of individuals?—No, I do not think any person would be so mad.

4928. You do not think that there is any other ground of apprehension than that which would arise from individuals holding 10*l.* or 20*l.* or 50*l.* notes, who in a time of great alarm would press for gold for the purpose of hoarding?—Certainly.

4929. That is the only objection you think that applies to the publication?—A publication that was only read by individuals sensible enough to understand it, would have no bad effect; but the danger would be with the lower classes of people, that would read wrong statements in the newspapers.

4930. Although the Public might feel alarmed at first, when they became habituated to this publication, do not you think that the good sense of the upper classes of society and the intelligent and wealthy persons would operate upon the lower classes, and prevent any evil?—No, I do not think it could.

4931. Suppose there was a tendency to a run, and that the wealthy and intelligent merchants of London met together, and declared that they were ready to take the notes of the Bank of England, that they were ready not to press for payment of their notes, and explain to the Public, that if the Bank was insecure, the whole national Exchequer was insecure also; do not you think that a declaration of that kind would tend to allay any alarm?—It might do for that time, but

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a man would say, "What occasion have I to believe Mr. Rothschild, or any body else." The little shopkeepers, and people of that kind, do not stop to inquire, but they say, I will get my money while I can; if I wait another week, I may not get it.

4932. Do not you think that the demands of the Country Banks upon the Bank of England, would be more likely to effect a serious drain than the demands of the little holders?—The reason they are obliged to come to the Bank for gold, is to satisfy the demands of the little people, otherwise they would not do so, because they are obliged to pay for it.

4933. Then, when you speak of the holders of 10*l.* or 20*l.* notes, you mean to include the holders of country notes?—Yes, I include every body.

4934. Have you ever considered to what extent a drain by persons holding 10*l.* or 20*l.* notes might go?—No.

4935. Would not the danger or the prudence of a publication very much depend upon the extent to which such a drain might go, as compared with the quantity of bullion which the Bank may be supposed to have in store?—If the Bank published that they had ten millions in the month of January, and in the month of February published nine millions, if the Public found out that in the course of two months the Bank had two millions less, there would be a run upon the Bank.

4936. Suppose the average quantity of bullion the Bank may be supposed to keep is eight or nine millions, and that the greatest run that has ever been known upon the Bank, from those little people who hold small notes, should appear to amount to about 1,600,000*l.* would that afford any reasonable ground for not publishing the amount of bullion?—If the Bank once begin to have a run upon them, you do not know where it will end; if once people get frightened, it is like a flock of sheep, they all run, and the whole nine millions may go before any man thinks of it.

4937. Is not the amount to which that run can go, limited by the amount of 10*l.* or 20*l.* Bank notes which those little people may hold at the time?—When I say little people, I only mean that the little people would begin the run, but after those little people, there will be people who will fetch their three or four or five thousand pounds. A Banker told me lately that he had an order to fetch twenty thousand sovereigns, and lock them up in his iron chest, and a week after, the same gentleman came again, and said, Do me the favour to fetch me ten thousand more sovereigns.

4938. Must not the extent of this danger to the Bank depend upon the experience which they have had of the extent to which similar runs at any former time have been carried, that is to say, runs by people holding small notes with a view to distress the Government?—No, I did not say to distress the Government; they run, because they are frightened.

4939. Do not you think that the run that took place in May last, was not from any apprehension of the solvency of the Bank, but with a view, through the medium of the Bank, to distress the Government?—I do not think so; I think the reason of the run upon the Bank was, because they thought there might be a revolution.

4940. If those little people apply to the Bank for payment of their ten or twenty pounds, would they not after a short time from their own necessities, be obliged to part with that gold, which they had drawn out for their ordinary payments, and may it not therefore in a short time be expected to flow back again?—No doubt of it, in a little time it will find its way back again. But my argument is, that if the Bank show the Public that a diminution in the amount of their stock of gold has taken place, most persons would take the alarm, and cause a run.

4941. If, together with the gold, were published the amount of the capital of the Bank, and it were seen that it had fourteen or fifteen millions of securities held by the Government, which must be annihilated before the Bank can be broken, would not all endeavours to distress the Bank be likely to be ineffectual?—I do not think the Bank can ever be broken, although its payments in gold might be suspended.

4942. If the Bank having so large capital as fourteen or fifteen millions, cannot be broken, and the Public are convinced of that, will they not see that all attempts to distress the Bank would be in the long-run quite ineffectual?—I come back to my old argument, and I say, that I think it is much better that the Bank shall keep secret what gold and silver they hold, than to let it be known, because if people know that there is a diminution in their stock of gold and silver, people will get frightened, and be induced to hoard; at last the Bank itself will feel alarm, and curtail its issues to such a degree as to cause a great deal of mischief to commerce.

4943. Is

4943. Is it not desirable that the Bank shall act upon good and fixed principles in their mode of conducting the business of the Bank?—Yes, and I believe they act upon good principles.

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4944. What security have you that they do so, if they do not make known what their principles are, and how far they adhere to those principles?—They will not tell those principles to any body; I have heard the question asked many times, but they keep them secret; though, I have reason to think them good.

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4945. From what you know of the management of the Bank, do you think it is good management?—I think it is very good management; sometimes a circumstance may happen, where they do not manage so well as it might be done, but we cannot always tell upon what ground a thing is done; but at the time of the last Panic, there was a great deal of credit due to the Governor of the Bank of England.

4946. How do you know that the management is good, if you are not told what it is?—Because I feel the management, and I know that it is good. When the last Panic took place, the Bank immediately came forward, and offered to lend to every body money upon good security; now if the Bank had been frightened at that time, they would have said, No, we will not lend any thing; and you would have had a worse panic than you ever had before.

4947. You think the best principle the Bank can adopt is to issue largely, and to make the currency abundant?—Yes; if this country has money in abundance, it will have all the trade from the whole world; and if you make money very scarce, the trade will go to other countries.

4948. In the event of the bullion of the Bank being published periodically, and that the amount should materially diminish, do you not think that it would become a matter of speculation among persons connected with trade?—Certainly; people will speculate upon it more in this country than in any other.

4949. Do you think that commentaries upon the subject, by the public press, might influence the public judgment?—Yes; the Bank have kept up their credit, because its concerns are not made public.

4950. Do you apprehend that there was any thing like a tolerable accuracy in the judgment of the Public, as to the quantity of bullion that there was at any time in the Bank?—I think if you asked fifty different people, one would say the Bank has 10,000,000*l.* and another would say 5,000,000*l.* and another would say 20,000,000*l.* and another would say the Bank has none at all.

4951. In times of ordinary confidence, do not you think that the great majority of the holders of Bank notes think there is a much larger supply of bullion in the Bank than there really is?—No doubt of it. If you go and ask any man who has property, you will find that he thinks the Bank has twice as much money in gold as it has, because he wishes it to be so; and if that man knew what quantity of gold the Bank has, I think it would be an injury to their credit.

4952. If the amount of bullion in the Bank was published, and therefore it was known when they wanted to buy bullion, would it be in the power of any combination of individuals to make it difficult for them to buy bullion and to raise the price?—They might raise the price for a little while, but I do not think long; it is impossible they can keep it up. If bullion comes to this country, it comes to such an extent that no individual can keep it. If he speculates upon it, he will lose a great deal of money by the interest upon it.

4953. Supposing the confidence of the holders of the notes were not shaken in ordinary times by the publicity of the amount of bullion, are you of opinion that in the prudent management of the Bank the fear of alarm from publication would operate upon the Directors, and induce them to contract their circulation?—I do not think it would frighten the Directors, unless the gold was taken out for a long period; but if it should go on for some months, then they will be alarmed.

4954. Would not the perpetual fear of a run, arising from publicity, operate materially upon their management?—Yes, I do think it would.

4955. Do not you think it might be a considerable benefit to the trade of this country to reduce the stamps on bills of exchange?—No, I would leave it as it is; it is of no consequence to pay a 1*l.* note upon a 1,000*l.* bill.

Jovis, 26^o die Julii, 1832.

THE RIGHT HON. LORD VISCOUNT ALTHORP, IN THE CHAIR.

John Baker Richards, Esq. called in; and Examined.

*John B. Richards,
Esq.*

*26 July,
1832.*

4956. YOU were Deputy Governor of the Bank in the year 1825?—I was Deputy Governor of the Bank from April 1824 to April 1826, and Governor from April 1826 to April 1828.

4957. You are able, then, to inform the Committee of the course of the Bank from April 1821?—I believe so, as well as my recollection will serve me.

4958. Will you be good enough to state what, in your view, was the cause of the crisis at the conclusion of 1825?—If I can trust my memory at all, I should say that at the period of 1819, without at all entering into the merits of the case, but merely confining myself to the facts, when it was determined that the country should return to cash payments, a vast deal of anxiety was created in the minds of the Public. As the period approached when by law the country was to come to this cash payment, that anxiety greatly increased, insomuch that I believe it had a very considerable effect upon the commerce of the country; in other words, I believe that many persons who had been in the habit of issuing freely, and giving fair and legitimate accommodation to their customers, particularly in the country, were afraid to go on upon that scale. The Bank had put itself in a position faithfully and honestly to fulfil that law, that I assert most fearlessly; in so doing they found it necessary of course to provide themselves largely by getting together bullion; the Bank succeeded. They endeavoured, before the period at which they would have been by law obliged to come to that point of cash payments, to anticipate it; they did so anticipate it; further than that, they enabled themselves to give every facility to the Country Bankers, and issuers of every description, to meet their engagements in gold, as far as the powers of the Bank could give them that aid; preparation was made for it to a very great extent, as I have stated. But I think it was in 1822 or 1823, the Government changed its course entirely, and instead of calling upon the Country Bankers to come into the course of cash payments, as the Bank were compelled to do, two years after the period, if I recollect right, their power of circulating small notes was extended to the year 1833; of course much of the preparation that the Bank had made became, if I may use the word, nearly useless, for the Bank would not have required, if it had anticipated that change in the mind of the King's Government, a preparation of so large a quantity of gold. All those circumstances, which happened up to 1822, had placed the country certainly in a position of some difficulty; there was at that time a reduction of interest by the Government, which did not assist the trading community, inasmuch as the little interest to be made out of Government securities, and also I conceive the little profit that was to be made at that time from the position of business, drove individuals into fresh channels for employment of their money; out of that arose a vast deal of speculation, the cause of which I conceive to be traced back to the year 1822 or 1823; that spirit became infinitely more rife as 1824 and 1825 advanced, and I believe in 1824 it had reached a very great height indeed. I must say for the Bank, that during that period it was ready when called upon, but not to volunteer any advances in the shape of discount, or any thing out of their regular course, beyond what the apparent wants of the country required. There were statements made at that period, I think I am accurate in saying, of the unbounded prosperity of the country, from the highest quarter, I believe the King's Government itself, and people's minds were carried into that channel, and buoyed up by those representations; and although the Bank was no willing agent upon any occasion to uphold that system, still it was impossible for them entirely to hold their hands, and to check that which did not seem to be within the control of any set of individuals whatever, according to my belief. The Bank went on progressively. I might venture to say, if the advances from 1822 to the middle of 1825 were to be looked into, the action of the Bank, although there would be a considerable increase during that period, was at least regular, there was no appearance

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appearance of force, or of volunteering, or any anxiety on the part of the Bank to seek for any thing more than ordinary profit out of the circumstances of the moment. I think it will be found that, generally speaking, taking the average of the quarters, which I conceive to be the fair way of looking at it, and not day by day or week by week, in the immense transactions of that establishment the variance will not be found to have been exceedingly great; I am aware that there was an increase during the latter part of the period, but at the same time, taking the whole circumstances together, I think it will generally be observed, that when the Bank did make those advances, it had in view the necessity of the case; and I should say, of late years more especially, and generally as far as 28 years of my experience have gone, they have always looked forward to the moment and to the circumstances in which those advances would come back, provided it were necessary to recall them. We all know that the scale of speculation and those wild schemes became very great in 1824; it increased with the early part of 1825. I believe sober men, and even those who were not particularly prudent, began to look with some anxiety to the termination of those schemes; the Bank was desirous as far as possible not to encourage them, as I stated before, and as little disposed was it at that particular period to encourage them; but the wants of the country, and the difficulty of suddenly interposing a suspension of the freedom of the circulation, might have led to circumstances fully as dangerous as those which did occur at the end of the year 1825, and the Bank continued then, as I believe it invariably has done (allowing for the extraordinary variations which will always attach to commerce) as steady a course as it was possible for a body of that magnitude, moving at best but slowly, as from necessity it must move, to have done.

4959. You have stated that the period for the Country Bankers to pay in gold was extended to 1833; do you mean by that, that the period during which they might issue 1*l.* notes was extended to 1833?—It was, and then retracted again about the year 1826.

4960. Was any relaxation made in the law compelling them to pay in gold?—I am not aware that any relaxation was made in the law compelling them to pay in gold, but I conceive that having the power granted them in 1822 to continue their small circulation till 1833, was tantamount to relieving them, not from the obligation to pay in gold, but from the necessity of doing it, except they were compelled. So long as people had confidence in them, they would as soon take their notes as they would take sovereigns.

4961. You have stated, that there were declarations of unbounded prosperity, were not those declarations made in the commencement of 1825, and not in 1824?—It is possible that it may have been in the commencement of 1825, but that would not altogether displace my answer, because I said that in 1824 those schemes had become exceedingly rife, and that they had continued so till the middle of 1825; I might be wrong in saying they were buoyed up by such declarations, but those declarations, whether in 1824 or in 1825, would have something to do with it.

4962. At what period during the year 1824 did it first occur to the Bank that there was danger in the state of trade in the country?—I cannot positively fix any particular period, because it is not upon my mind; but it was impossible that men acting upon the principles that the Directors of the Bank do, could ever look with any satisfaction upon the wild schemes that were going forward at that moment, the extraordinary speculations in mines, and companies of every sort. No man with any thing of an ordinarily regulated mind, could fail to feel the greatest alarm upon that subject; there were a great many of us who had never witnessed such events; we might have heard of the South Sea Bubble, but I do not know that any man ever expected to live to witness a repetition of any thing of that sort; I can answer for myself, that it never had entered into my contemplation; but my habits and views are remarkably quiet, and are no test of other people's.

4963. What was the principle upon which, during that period, the Bank regulated the issues of their paper?—As far as I have always understood it, and have been called to take any part in it, the view has generally been to take care that something like a third of our liabilities should be in bullion; and I think in general, since we have been in a state of cash payments, and since we have had the command of bullion, that has been generally the principle applying to ordinary times, and when there is no very peculiar distress in the circulation.

4964. Did you consider at that time that the amount of the issues of paper should

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should be regulated by the amount of bullion you had in your hands, or by any other consideration?—We have generally had a view to all the circumstances that were floating about us at the moment, but in general wishing to preserve our bullion in tact, that it should not go below a certain proportion of our liabilities, we have endeavoured so to regulate our movements; I am sure that I may safely assert in the presence of commercial men, that that principle, good as it is, may sometimes not be applicable to circumstances; not applicable with due attention to the position of the country or the wants of the country, at a particular moment. I am confining myself to a trading view of it, of course; and if I were looking for an exception to that rule, and if it would be any support to my argument, I should say the events of 1825 would bear me out in what I have said. God forbid it should ever return! But bad harvests, and other causes, might shake the best established rules for the circulation of this country.

4965. Was not the amount of bullion considerably higher than you stated, namely, one-third of the liabilities, in the commencement of the year 1824?—I should say it is very likely to have been very large at that time, but I do not carry the figures in my head, and I think it must have continued so pretty much till 1825 had begun.

4966. Do you recollect the circumstances in which the Bank made the advances upon the Dead-weight and the mortgage?—Yes.

4967. Will you state what were the grounds on which the Bank thought itself justified in making those advances?—The state of the Bank at that time, with the view I have stated of the quantity of bullion and assets we had, fully justified that measure, as we conceived, otherwise it would not have been carried; for it is quite fair to state that that was a question mooted over and over again, not hastily jumped into by the Bank, but it was the result of the opinion of a majority, after frequent discussions; under those circumstances, I am perfectly warranted in saying that the position of the Bank at that time fully justified it; it had a sufficient quantity of bullion, in its judgment, and a sufficient quantity of assets, to justify that operation. The attempts in other quarters, on the part of Government, to realize that transaction, had failed; it had been tried by one other company, in my recollection at this moment, that would have undertaken it; I cannot tell why, but it did not come to a bargain; and I think it was several months after it was proposed, that the Bank came into it; and, as I have stated, after a great deal of serious deliberation, not one deliberation nor two, they considered themselves justified in taking, not the whole, but a proportion of that annuity.

4968. Was not the effect of that advance, as well as the advance on mortgage, to increase the issues of the Bank beyond what the ordinary demands of commerce called for?—I think not, according to my view of it; I am perfectly satisfied that had the majority of the Court of Directors considered that that advance would be detrimental to the country, they would not have undertaken it; but for me now to recall every minute circumstance that formed the subject of our discussions, and the opinions then formed, I confess I could not do it without a great deal more consideration.

4969. Do you recollect whether the prices of all articles were not very low in the year 1821?—I do not speak from immediate recollection, but from the state of the public mind, as to the anxiety prevailing respecting the returning to a state of cash payment, I think it is likely that they were, and I have no doubt they were.

4970. Was not the advance made by the Bank for the Dead-weight, one mode of increasing the circulation of the country?—It would have been so if the whole circulation had remained out; but to the best of my recollection, it has rarely happened that when the Bank has made any very considerable advance, it has not been looking forward to some return of assets within a period which would prevent any very serious effect arising from what, under those circumstances, I conceive would become a temporary advance; in other words, the Bank was never under any engagement, as the world has chosen to say, of thirteen millions for the Dead-weight. I believe the utmost advance of money may have exceeded eleven millions, and after the year when we ceased the payment (I believe it was in 1827 or 1828) we have always been drawing in, although upon a small scale as yet, and the amount of that which once stood at eleven millions, is now standing at a sum below that, and the progress, although slow now, will be very rapid by and by.

4971. Was

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4971. Was not the circulation of the country, taking into consideration the sovereigns which were put into circulation, as well as the Bank paper, considerably increased from the year 1821 to the year 1824?—There does not appear to have been any very considerable increase in the Bank's circulation within that period.

4972. Upon the Exchanges turning against this country in 1824, did the Bank immediately take measures to diminish their circulation?—The Bank would always have regard to the state of the Exchanges, and more particularly since coin became the currency of the country, which it had not been, in consequence of the Restriction, for many years. There is no question in the world, that that would form a topic of deliberation. I cannot exactly repeat what the state of the Exchanges was then, but it might happen that circumstances would exist at that moment, which would not enable them, if they desired it, to give immediate effect to it. I cannot say that I immediately recollect the precise circumstances, but that would be the bias under which the Court would act. In 1824, I do not exactly recall what the state of the Exchanges were, but I am quite sure that any variation in them would form an important feature in our deliberation. Whatever the Exchanges may be as a general principle, there is no question they are an exceedingly good barometer; but I am sure the Committee must be aware that circumstances may arise, which would quite counteract, and almost render of no effect, that principle; and once more I must appeal to the circumstances of 1825.

4973. It has been stated to the Committee, that the principle upon which the Bank now conducts its affairs, is to keep the amount of its securities as even as possible; was that the principle upon which the Bank acted previously to 1825?—As far as I know, that steadiness and evenness of conduct has always been one of the first principles of the Bank, but it has been and will ever be controlled, I fear, by circumstances, which neither the Bank, the Government, nor any set of individuals, can strictly control. I know the power is great, and it can be exercised, but it may endanger the country, and if I may take the liberty of saying, were we to have two or three years of bad harvests, and the food of the people depended upon the importation of corn, and we were obliged to get the corn, cost what it would, I do not quite see the way in which that principle could be effectually maintained, without placing the country upon the verge of the greatest possible difficulties.

4974. Do you apply that opinion to the principle of keeping the amount of securities at an even level?—I apply it to the possibility of deranging that which is an excellent principle in ordinary times, and when every thing is moving as we could wish, quietly and well.

4975. The question refers, not to the amount of bullion in your hands, but it is applicable to the amount of your available securities, it having been stated to be the principle of action of the Bank at the present time, to keep the amount of its securities as nearly the same as possible?—In ordinary times we keep them as steady as we possibly can, so as to use the power which the Bank possesses with as much moderation as possible, and also to preserve the equilibrium of the circulation, and the state of the country, so far as it depends upon the circulation; I may say that has always been the principle, since I have had any thing to do with the Bank.

4976. You stated that there were circumstances which might interfere with the power of the Bank, of keeping their securities at an even amount?—Yes, there may be derangements, and there will be derangements in the immense operations of this country, which will sometimes throw things out of their equilibrium; and when they arise, it will be very difficult to apply a rigid principle that may be applied upon other occasions.

4977. Is the principle you allude to, the convertibility of all the notes into gold?—We must always have that in view; we must take care always, as far as we can, to have such a quantity of gold as shall satisfy the wants and desires of the people. But I should take another position; I cannot myself see how in the case of any internal commotion, such as we had about three months ago, when people had lost their confidence; I cannot see that the Bank could conduct their affairs quite upon the same principle as they would do in easy and ordinary times. If the country will take gold and hoard it, we must give it as long as we can; but we cannot do it beyond that point, until the supply of the gold shall universally

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increase. I am afraid it would not be possible for any establishment to satisfy a spirit of hoarding, or a domestic alarm.

4978. What are the deranging circumstances which you think would interfere with the power of the Bank, of keeping their securities at the same amount?—We might be obliged to enlarge them or to diminish them, according to circumstances; the situation of the Bank might become exceedingly critical under circumstances of domestic excitement, which the Bank might have no power of controlling. I think there has been an instance of that within the last three or four months, which would furnish me with an argument to support what I said.

4979. In such a case as that, would it be the policy of the Bank to diminish, or to increase, the amount of securities in their hands?—If they could do it, they would naturally diminish, because every man in a moment of distress tries to bring his concerns into as snug a position as he can; that may apply exceedingly well to an individual, but that same power would not exist in an immense body, which is the pivot of the whole; and therefore although the Bank might be desirous to do what an individual would, yet it could not, consistently with the safety of the country, or perhaps of itself.

4980. Would not the effect of the Bank diminishing the amount of securities in their hands, be to diminish the amount of the circulation?—I conceive so; and it might occasion a great deal of distress in extraordinary circumstances; but I am only stating exceptions to a general rule.

4981. Will you state what was the description of the demand upon the Bank for gold about two or three months since; did it arise from the demands of Country Bankers, in order to meet demands upon them, or did it arise from the holders of notes in the Metropolis?—As far as I have any knowledge of the fact, I was surprised that there was so little application from the Country Bankers. I certainly never saw the hall of the Bank, for many years that I have gone through it, except in 1825, so crowded with applicants tendering their notes; they had not, in general, the appearance of being people from the country. I cannot at this moment state what the Bankers took, for I went out of town almost immediately afterwards, for my health; but I should say the Country Bankers, either directly or through their agents in London, took but an inconsiderable quantity, compared with the circumstances of alarm at the moment.

4982. Supposing the total amount demanded was about 1,600,000 *l.* do you think that at least a million of that was from the holders of notes in the Metropolis and the neighbourhood?—I think so, but I have not the facts before me, from the circumstances I have stated.

4983. Do you recollect the largest amount that was demanded in exchange for Bank notes by any one individual?—I do not; I recollect the circumstance of some man taking away a thousand pounds, and bringing it back, but there may have been larger sums. I heard of one or two persons taking 5,000 *l.* for friends in the country, but I have no accurate recollection of the facts.

4984. Did you by chance hear of an individual who had money at Jones & Lloyd's to the amount of about 20,000 *l.* who drew it out, and went to the Bank and demanded sovereigns for it?—Yes, I believe that was the case.

4985. For how many days did that last?—I believe it ran through nearly a week.

4986. Did you not hear from the Bankers with whom you were in the habit of communicating, that they had a great demand at their counters for gold during that period?—I understood so.

4987. Did not several of the London Bankers object to give parties gold, but gave them Bank notes, and said, "You may go and get gold for them at the Bank if you please?"—I believe so.

4988. And others paid the full amount in gold?—Yes, I believe so.

4989. May you not consider that amount of 1,600,000 *l.* as nearly the maximum of demand that can arise from political excitement?—I could not venture to give an answer to that question. I think it might go to a much larger extent; it would depend upon the continuance of a demand of that sort. Had it gone on as it did, certainly 1,600,000 *l.* or 2,000,000 *l.* would not have satisfied the cravings of the Public.

4990. Is there not a necessary limit imposed in this way, that the persons making this demand for gold must present notes for payment, and by so presenting notes reduce the currency; and if they seek to turn their convertible securities into Bank of

of England notes, the currency being at the same time reduced, they must do so at a considerable loss?—That is very true; but when men are frightened, they will submit to great disadvantage in order to realize their property.

4991. Will not the distress occasioned by this presentation of notes in times of political excitement, afford a considerable check to any such conduct on the part of the Public?—Probability is one thing, but possibility is another; and between these two it is not in my power to give an opinion that is worth any thing.

4992. Did you hear at that time that several people took alarm and sold their stock out, and demanded sovereigns for the produce of that stock?—I understood so.

4993. Did it not come to your knowledge afterwards, that the same parties within a few days bought back the stock with the same sovereigns, at a loss?—I think it very likely.

4994. Do you remember how much the three per cents fell during that week?—I do not remember; they did fall.

4995. What was the ground of public apprehension at that time; did they doubt the solvency of the Bank?—I should think not at all, there was no appearance of it; but when people choose to take alarm, it is often very difficult to account for it.

4996. Do you think that in devising a plan under which the Bank should govern its issues, it would be proper to bear in mind an extreme case of this kind?—I imagine that in every discussion that takes place in a man's own mind, and in deliberating upon subjects of that sort, he tries to look at every possible contingency that may arise; and it is not merely the smooth, but he takes the rough side of the question also.

4997. What would be the worst that could happen under those circumstances?—They might, I suppose, under circumstances of alarm, do that which they have done before, almost run the Bank dry.

4998. Then the worst that would happen is that they might run the Bank dry?—Can any thing be worse.

4999. If they did so, considering the large available amount of securities that the Bank holds, could it be more than a stoppage for a few days, in order to give time to the Bank to convert its securities into gold?—We know that when men fail, they may be very honest and very honourable, and they may go on afterwards, but it rarely happens to the best, under the most happy circumstances, to regain their credit and to be able to re-establish themselves as they were before. I do not mean to say there are not such instances, but I believe there are very few on record; so if the Bank were again to be placed in a situation of difficulty, I conceive that it might be some time before the public mind would be brought back to feeling the confidence it once had.

5000. Do not you think the failure of the Bank of England to discharge its obligations might lead to an universal Panic, and might cause the failure of every other Bank?—I have no doubt it would come to that. I lived through the year 1825, and I know what my impressions were then, and I think they are just as strong now, after the lapse of six or seven years, as they were then. It is my impression, that if you lose that pivot, or any pivot on which so much depends, the country will be in danger, and that it will not be easy for any body of men to get it up again in a very short time.

5001. Considering that besides the balance of securities and deposits which they hold beyond their liabilities, there is between 14 and 15 millions which Government holds of their capital, could any question arise, under those circumstances, of the power of the Bank, and that in a short period, to return to its payment in gold?—If the Government, or the other debtors of the Bank, were in a position readily to return that which they owe to the Bank, no doubt the thing would be done more quickly; but I doubt, when it came to a convulsion of that sort, whether it would be quite so easy to arrange it, as it would be dispassionately to speculate upon it here, and I should think that of all things in the world most to be deprecated.

5002. Does not the recollection of what happened in 1797, when the Merchants and Bankers met, and declared their readiness to take Bank notes, tend to lessen the apprehension of the great evils you seem to anticipate in case of a temporary suspension of payments by the Bank of England in case of a run upon it?—The period of 1797 is not within my recollection; practically, that declaration must

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have been of the first importance at the time, and doubtless another such declaration would be exceedingly useful; but a thing of that sort may do very well for once, but I am not quite sure how it would act a second time; undoubtedly if we were in that position, being all in the same boat, we must struggle through it, but I cannot sufficiently deprecate the idea of the country being again placed in that situation.

5003. Was not the conduct of the Bankers in 1825 somewhat similar; did they not practically act upon that principle by readily taking the 1*l*. notes at the moment?—Certainly; no persons could behave more decidedly or more liberally than the Bankers of London did upon that occasion, and they did all in their power to give every possible effect to that issue; but with respect to the 1*l*. notes, their issue was the merest accident in the world. So earnest were the Bank to give effect to the law which took place under the Act of 1819, that I did not myself recollect that there were any 1*l*. notes in the house; they were put by; and I believe it was the casual observation that there were such things in the house put away, which suggested it to the minds of the Directors, that it would be possible to issue them as a relief for the moment. The idea was mentioned to His Majesty's Government, who concurred with that view; and to the Bankers of London, and they were very ready to adopt it, and it was adopted; and I have no doubt it did very essential service; but I can state that the then amount was under half a million, to the best of my recollection.

5004. Considering the manner in which the Bankers acted in 1825, and the manner in which the Merchants and Bankers acted in 1797, do you not think that when a period of danger arrived, there being no doubt whatever of the solvency of the Bank, the Merchants and Bankers would be ready to act in a similar manner?—I believe they would; I have no doubt they would; and if that would induce the confidence which it is the object to establish in the minds of the Public, so far so good; but if it failed, it is not for me to say what the result would be.

5005. Do you recollect the period, at the close of the year 1825, when the Bank first felt a considerable alarm as to the circumstances of the country?—I do.

5006. Will you state what that period was?—I think it must have been in the Autumn that the Bank began very seriously to contemplate what would be the result of the speculations, and of various circumstances that were going forward; that increased in October and November, when there continued to be a very great demand, which I think had begun about April or February, for gold; and I believe it advanced down to the first Saturday in December. Not only the Bank, but I believe every man's mind connected with the city, was in an extreme state of excitement and alarm. I think I can recollect, on the first Saturday in December, having come home after a very weary and anxious day from the Bank, receiving a visit from two Members of this Committee, and one of our Bankers of that class, at my own house, stating the difficulty in which a Banking-house near to the Bank was placed, I will not assert it, but I believe they had gone so far as to take care of the clearing of that house that evening, so as that it might fulfil its engagements. The object of that visit was, to ascertain what would be my views upon the subject. I was called upon, because the Governor was particularly connected with the house of Pole & Company by marriage and other circumstances of relationship. After speaking upon the subject for some time, I was pretty sure that I could answer for the firmness of the Bank, and I ventured to encourage those gentlemen to hope that upon any thing like a fair statement, the Bank would not let this concern fall through. It was agreed that on the following morning (Sunday) we should meet as many Directors as I could get together, with the three gentlemen who had called upon me, at the house of one of them, and that in the meantime some eminent merchants, friends of the house, should also be called to the meeting to assist with their opinion. We so met, and after hearing all the facts which were collected in the first instance, by the Bankers and the Merchants present, the Directors authorized their Chairs to say that assistance should not be wanting; it was agreed that 300,000*l*. should be placed at the disposal of Pole & Company the next morning, for which the Bank were to receive, and did receive, as securities, a number of bills of exchange and notes of hand, and over and above a mortgage on Sir Peter Pole's property, which was to ride over the whole. During that week, I believe, the attention of every man was directed much more to the state of that house than to any thing else. They fought through it till Thursday or Friday pretty manfully; and about that time, from conversation I had with

with a gentleman, a partner in the house, I was led to fear that it might fail; however, it was fought on till Saturday evening, and I believe their position was then such, that without the assistance of the same eminent individuals who had taken part before, that clearing would not have gone right. Sunday passed, and on Monday morning the storm began, and till Saturday night it raged with an intensity that it is impossible for me to describe: on the Saturday night it had somewhat abated. The Bank had taken a firm and a deliberate resolution to make common cause with the country, as far as their humble efforts would go; and on Saturday night it was my happiness, when I went up to the Cabinet, reeling with fatigue, to be able just to call out to my Lord Liverpool, and to the Members of His Majesty's Government then present, that all was well; that was, I believe, on the evening of Saturday the 17th of December. Then in the following week things began to get a little more steady; and by the 24th, what with the 1 £ notes that had gone out, and other things, people began to be satisfied; and then it was for the first time, in a fortnight, that those who had been busied in that terrible scene could recollect that they had families who had some claim upon their attention. It happened to me not to see my children for that week. After that, the thing got quiet; and I think in January 1826 London and the country were getting still more quiet; but there was an excitement from the time Parliament met in February to its rising in June or July, which it required a vast deal of firmness and a vast deal of steadiness to control. Happily it did succeed; and since that, I trust, under all circumstances, the thing has got into a state, which God forbid it should ever depart from.

5007. Were you apprehensive, during the weeks you have mentioned, that the Bank would not be able to continue its payments?—It looked exceedingly suspicious; the Bank had determined, as it ought to have done, to pay to its last guinea, and it would have done so; but by one of those happy circumstances, when Saturday evening came, the tide receded, and I was able to assure His Majesty's Government that it was all well; and the tide turned from that moment. Another such week and the country would not have stood it; in my humble judgment, the Bank could not have stood it, although we had gold coming.

5008. Do you recollect the day on which some Members of the Government met several times at Lord Liverpool's house, when there was great reason to apprehend that the stock of gold would not be sufficient to meet the demand, and they thought, upon the whole, it would be best to pay to the last?—There was a declaration by us at the very beginning of the week, that we would do so; I recollect I was at that meeting, and all those circumstances passed.

5009. At that time, was there not reason to hope that a considerable supply of gold would be brought from France?—In the following week we hoped it; but we were subject to the winds and the waves, and every other circumstance.

5010. Was not the amount that came then, about 400,000 £.?—I think it was; it was the first step, as we wished and expected, towards setting the tide the right way; but, happily, circumstances anticipated that wish and that hope.

5011. Did not the Government, in giving that advice to the Bank, only concur in the opinion that the Bank had previously expressed?—Lord Liverpool had asked that question, and I undertook to say, early in the week, that the Bank would pay to its last guinea; and when I went down to the Court, they did me the honour to approve of and to support that answer.

5012. Had not advice by Mr. Stuckey and other persons been previously given to the Bank, that the demand for gold at the time was merely internal, for the Country Bankers, and that, the Exchanges having turned in favour of the country, the Bank might safely extend its issues?—The fact was this, that the alarm was internal; the run was upon the Country Bankers, and it was necessary to have upheld them, or else there would have been no calculating what the result would have been. The Bank did that, and would have done it to the last guinea. But I fancy that almost all the gold went into the country, for I do not recollect that the Bankers in London wanted gold, except to supply their friends there.

5013. Did not that circumstance fully justify the Bank in extending its issues of paper at the time?—According to the opinions then held, I suppose we should have been blamed very much for doing it, had it not resulted so happily as it did; but I am satisfied the Bank would have failed in its duty if it had not gone forward with the energy and resolution it did at that moment.

5014. Has not the conduct of the Bank been condemned by writers upon the subject of the circumstances of the year 1797, for not extending their issues at

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the period immediately previous to their suspending payment?—It is very likely; but I can hardly speak to facts connected with 1797; I dare say they were attacked, as they are in these days, and ever will be.

5015. If the demand was internal at the moment of the stoppage in 1797, and the Exchanges had turned in favour of the Country, do you not think that the Bank acted upon a wrong principle, if at that moment they greatly restricted their issues?—It is hardly possible for me to give an opinion upon that which I took no part in, and was not competent from my age and circumstances to take a part in; but they must, no doubt, have acted upon the best judgment they could form at the moment; perhaps had they been a little bolder, it might have been more advantageous. There is no doubt the determination we showed to uphold things at that time, in 1825, had a great tendency to get them right.

5016. Had the demand for gold been external, to send to foreign countries, would not an increase of issues at that moment have tended to increase the demand?—There is no doubt of that; and there would naturally be a greater jealousy in supporting the wants of a foreign country, than in supporting the wants of our own country.

5017. Does not the circumstance of the distress having been relieved by an issue of 1*l.* notes, prove that the cause was altogether internal, and that it consisted in a distrust of the 1*l.* notes of Country Bankers?—I conceive the panic to have been quite internal at that period; but our issue of 1*l.* notes did not amount to a considerable sum.

5018. Do you apprehend that throughout a great part of the time during which there was a demand for gold upon the Bank, that demand would have been sufficiently satisfied by an issue of 1*l.* notes?—If the confidence in the Bank had been what it has generally been, that might have been the case; but the Bank had a better remedy in giving sovereigns, and therefore I would rather speak to the fact, than offer a speculative opinion.

5019. Do you think that the paying off the four per cents, and reducing the interest upon the public securities, had an effect upon the public mind, of disposing them more to a dangerous speculation?—I was inclined to think that as the rate of interest and the power of making profit upon their money was diminished, they turned their attention to those wild and destructive schemes. If trade had remained in the same course, and the rate of interest had remained the same, I suppose it would have gone on much as heretofore: but in saying that, I do not attempt to criticise any measures that were adopted.

5020. You have spoken of the great evils that would result from an entire exhaustion of the cash of the Bank; is not the danger of such exhaustion absolutely inseparable from the principle of banking?—It is inseparable, not only from banking, but I fancy from every other trade upon a large scale; there are circumstances which, in my judgment, arise not only in banking, but in all other human affairs, to derange the best laid schemes, and it is impossible to separate business from them, or to continue for an uninterrupted series of years any trading company, without inconveniences of that sort arising.

5021. Is there not this difference between Banking and other business, that it is a principle of Banking, that a man shall issue promises which it is universally known by the takers of those promises that he cannot fulfil, if they are all to be called for at the same time?—I imagine that it would not suit any man that has deposits as a Banker, to keep the whole of them in gold; it could not be worth his while to do it. But all these matters are managed upon calculation and experience; so long as that experience and calculation proceed upon ordinary circumstances, the thing goes exceedingly well; but if it gets deranged, from circumstances of alarm, Banking is exposed to that, and it is dependent very much upon opinion; if men's minds change, there is no controlling them in any way, unless you put down the sovereigns upon the table, and send them away.

5022. It being a subject of such paramount importance to maintain the payment of the notes in specie when demanded, what objection would there be to increase the deposit of bullion, thereby lessening the profit to the Bank, but increasing the security to the Public?—The Bank has never thought of more than reasonable compensation or remuneration for their labour and exertions; and taking it for a period of years, not for any particular period when they have been able to make bonuses, but taking it for a period of years, I conceive that the Bank has never earned more than it is entitled to consistently with the risk it has run; and perhaps

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if it were necessary to limit the Bank in the way suggested, it might, or might not, be the inclination of any set of individuals to engage in business of that kind. Men must be paid for what they do, or they will not undertake it. I speak now, not of the Directors, but of the Proprietors.

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5023. If the principle were conceded, that the Public are entitled to participate in the profits of the monopoly granted by Parliament to the Bank, would it not be fair for the Government to say, that instead of taking for the Government a portion of the profits, we will increase and secure to the Public a reasonable profit, by binding the Bank to keep a larger proportion of their issues in bullion; say increasing the one-third, which is the present rule, to one-half?—I am not quite sure that I understand the question; but if I do, I should say that however advantageous it might be in one view, still were the transactions of the Bank and its power of acting to be limited in the way I conceive it would be, I question whether any material advantage would result in the end. I think it might tend very much to limit the power of the Bank, and if so, it would tend to limit the commerce of the country; and therefore it would require very serious deliberation, how far, admirable as the idea may appear in the first instance, it could be maintained by the test of experience and reflection. It is a speculative question, and one I would rather decline to offer an opinion upon off-hand, for I am not competent to do it without consideration.

5024. Would not the sole effect be to deprive the Public of so much capital, which would be thus additionally invested in bullion?—I think it would paralyse the power of the Bank to give that assistance which in extraordinary circumstances it will always be required to give so long as it exists.

5025. Would it not diminish the danger which the Bank has of late years sometimes run of having its bullion exhausted?—It might do that, unless you were to get three or four bad harvests, and a few circumstances of that sort, and then I am sure it is not for me to contemplate what the derangement would be to that system, but I conceive that the derangement must arise; and till we can bring our harvests and other points to a certainty, I am afraid that no invariable course can prevail.

5026. Does it not necessarily follow that the larger the portion of their liabilities they have in bullion, the less danger there is, in a time of bad harvest, of having their supply of gold exhausted?—I am inclined to think that with the greatest quantity of gold there would be means of reaching it, in one shape or another; we know that the power of trade is very strong.

5027. Must not the danger of having the bullion exhausted be diminished in proportion as you increase the ratio of the gold to the amount of the liabilities?—The more you have of gold, the less will be the risk; but then I think in that case the country must make up its mind to a very diminished trade, and it must diminish its engagements every where.

5028. You conceive that if the Bank were strictly bound to maintain a certain quantity of gold, it would very much diminish the power of the Bank to afford accommodation to the Public in extraordinary circumstances, by either increasing or diminishing its circulation?—That is decidedly my opinion, as to affording assistance.

5029. It has been stated that the rule adopted by the Bank at present is, in ordinary times to have one-third of its liabilities in gold; if the Bank were, instead of aiming at having one-third of its liabilities in gold, to aim at having one-half of its liabilities in gold, would it not to that extent diminish the danger which the Bank would incur, in extraordinary times, of having its bullion exhausted?—I have no doubt that if it could preserve the amount steadily in the manner supposed, it would be well; but I conceive from the experience I have had, that the thing is not to be brought to that precision.

5030. Your present rule being to have one-third of the liabilities in ordinary times in gold; suppose that, instead of laying down the amount of one-third as what you aim at in ordinary times, subject to be reduced in extraordinary circumstances, you should aim in ordinary circumstances at having one-half, subject in the same manner to having that reduced under extraordinary circumstances?—I am of opinion that with a decided limitation of that sort, the power of the Bank might be cramped so as to be exceedingly inconvenient to the general trade of the country.

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5031. In that week of great pressure in 1825, did the Directors of the Bank apply to the Government for a cash restriction?—It was mentioned to His Majesty's Government that we thought we were likely to run dry.

5032. What was the answer you received?—They declined it.

5033. Absolutely or conditionally?—Absolutely, I conceive.

5034. Do you recollect what that day was?—I cannot recollect the day, but it was during that week ending the 17th, and I think it was about the middle of it.

5035. Supposing that at that period the Bank had been under the necessity of stopping its payments in gold, do you believe that any of the merchants would have been enabled to fulfil their engagements punctually?—I do not believe they would; I believe they must have all agreed, if such a thing could have been done, which was talked of at the time, that the postponement of a week or a fortnight in the payment of all their bills might be a very great convenience; but I do not mean to say that that was very seriously entertained; but I have not the least doubt in the world that had that occurrence arisen, we should have all found the greatest difficulty to pay our bills. Those that had sugar or cotton, might have given an equivalent amount; I might have given the articles in which I deal as an equivalent amount for my acceptances; but I do not recollect where I was to get money that would have given confidence to the Public.

5036. Would not all persons holding foreign bills of exchange which were not regularly paid, have been under the necessity of returning them to their correspondents under a protest?—I think it is most likely that it would have come to that, in many instances certainly, because we know that some of the most powerful, holding some of the best supplied portfolios, were in a very great state of alarm.

5037. Have you any doubt whatever that if the Bank were under the necessity of suspending its payments for one day, the consequence must be a total interruption to all the regular transactions of merchants, bankers and traders?—That is my belief.

5038. If the Panic had not subsided, and your supply of gold had been exhausted, and the Government had upon that occasion remained firm to its decision, not to grant a restriction, what would have been the state of affairs in this Metropolis, in your opinion?—My own opinion is, that nothing could have been worse, things would have been in such a situation that I cannot venture to calculate what the result would have been.

5039. If Government had granted a restriction, would that have produced any great improvement in the state of things?—It might have given confidence, but it might not.

5040. Would the restriction have done any good, unless it had extended to every Country Bank in the country?—It must have been general; if the source from which the bullion always has come, and ever will come, was dried up, they could not have got it, restriction or no restriction; so that although the restriction had not applied to them, yet virtually that would have been the effect, because they would not have had the means of paying in gold.

5041. Do you think that if a Bank restriction had issued then, there would have been the slightest doubt on the part of the Public, that the reason of it was because the Government feared that the Bank could not pay in gold?—I suppose that would be the impression.

5042. Did any conversation take place between yourself and the Government, as to what conduct should be pursued in case the treasure of the Bank was exhausted?—Certainly.

5043. What was that conversation?—The measure advised was one in which the Bank did not concur, that by notifying that the Bank would be able to pay in gold within a period to be named, probably a month or six weeks, (by the 1st of February is the impression upon my mind,) that might restore confidence, and answer the purpose. The Bank deliberated very seriously upon it, and they came to a conclusion that they could not affix such a notice; they were not perfectly satisfied that by the 1st of February they might get gold sufficient; and till their minds were clear upon the subject, they acted at least an honest part, by not pledging themselves to that which they did not see their way to perform, and upon that ground it was declined.

5044. Was the point of difference, then, between the Bank and the Government, with respect to the day by which the Bank should notify that it would resume its payments in case of its stopping?—I do not know that the day was the point, for

for I suppose if the Bank had chosen to mention any other day, they would have had the liberty ; but the Bank were not disposed to pledge themselves to do that which they did not feel confident they could accomplish. The advice was given by Government, and the responsibility would have fallen upon the Bank.

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5045. Did the Government and the Bank concur in that point, that some day should be notified upon which the Bank would be prepared to resume its payments?—I should say the Bank declined adopting the measure after a great deal of deliberation in our court ; it was held, that according to our view of the case, we could not consistently come under an engagement so solemn with the Public, which might be counteracted by a thousand circumstances, and we hesitated therefore to adopt that advice.

5046. Was not the objection of the Bank to bind itself to any day?—Precisely.

5047. You were understood to say that the refusal of the Government to a Bank restriction was absolute, and not conditional?—I consider it absolute ; and I should think there are gentlemen here who must remember having heard Mr. Canning, in the House of Commons, say, in one of his most emphatic sentences, that he would never consent to a thing of that sort.

5048. Are the Committee to understand that there was a refusal on the part of the Government itself to take the responsibility of a restriction, but that they gave advice to the Bank themselves to undertake that responsibility?—The Government declined the measure altogether of a restriction Act, but they gave the advice to the effect I have stated, that in the event of the Bank being completely exhausted, a notice should be given that by a certain day to be named, they should be ready to pay in gold, and the 1st of February suggests itself to my mind as the day that was named ; but the Bank did not see that in the situation that things were then in, they could name the 1st of February, or any other day, so as to enable them to come under so solemn an engagement with the Public for the resumption of cash payments.

5049. What course did the Bank advise to be taken, in case their treasure should be exhausted?—They would have followed the course of paying up to their last guinea, it would then have become the common cause of the Public ; but the circumstance did not arise of any formal substantial declaration of what the Bank should do ; whatever might be passing in the minds of individuals, it never came to a solemn determination.

5050. In the conversation you had with the Members of the Government, what course did you advise to be pursued in case the Bank's treasure had been wholly exhausted?—I do not recollect, at this moment, all the various topics that were urged, nor do I recollect that any decision was come to upon the subject.

5051. Did you not expect some days before the 17th of December that you would have to come to that decision suddenly?—I thought it was possible.

5052. And the Directors had not made up their minds to the course they would pursue?—They had come to no solemn decision upon the subject.

5053. Will you state what was the lowest amount of bullion at any one moment in the Bank?—To the best of my recollection, taking what we had within the walls of the Bank, and what we had in progress at the Mint, I think it little exceeded a million. I do not recollect that at any period it was lower ; within the walls, it might have been lower, but there was a delivery almost night and day from the Mint.

5054. Did the Government show any disposition to decline responsibility in advising the Bank, and was not there a cordial communication between them?—I say perfectly so, and the best proof of that cordiality was the Bank deciding to follow their own judgment upon the advice offered to them ; but I am bound to say that nothing could exceed the fairness of His Majesty's Government in that respect.

5055. Were not the Exchanges at that time in favour of the country, so that there was every right to expect that gold would come in?—Upon that Saturday night we were actually expecting gold upon the Monday ; but, what was much more important, whether from fatigue, or whether from being satisfied, the Public mind had yielded to circumstances, and the tide turned at the moment on that Saturday night ; and the only thing of which the Bank was exhausted was a particular class of its circulation, the 5*l.* and 10*l.* notes, which were however delivered out on the next morning, on Sunday.

5056. Do not you recollect that there was a discussion as to the effect that

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would be produced upon the Public mind by the Bank tendering silver in exchange for notes when the gold was exhausted?—Yes; no doubt silver would have followed next.

5057. When the gold was exhausted, if the Bank had said, We have no gold, but we will give you silver in exchange for your notes, and there is little doubt that this silver will be exchanged in the course of a few weeks for gold; would not that have a considerable effect with the Public?—I do not feel sure that the Bank had a very large quantity of silver, for, when I speak of a million, I probably speak of silver and gold together; I do not recollect that we should have been in a position to have held that language confidently; we, of course, should have given silver as long as we had it; but I do not remember that we were sufficiently strong in silver to be justified in holding that out as an expectation that would last long; but we should have gone to the last shilling in silver, as we should to the last guinea in gold.

5058. Do you know what proportion of the million you had was silver?—I cannot say, but it was not very considerable, I should think.

5059. Although Government would not by anticipation authorize a restriction, have you any doubt that if the Bank had been actually exhausted, the Government were prepared by a legislative measure immediately to authorize a restriction for a limited period?—I cannot answer that question in any other way than I have done; I mean to say that the Government declined absolutely a restriction, and Government never held out to the Bank, as far as my knowledge goes, any intention of acceding to it; and I can only add, that nothing on earth could be stronger than the declaration of Mr. Canning in the House of Commons, which by the favour of the Speaker I was allowed to hear, sitting under the gallery; but if that was what the Government meant to do, certainly they did not impart it to me.

5060. At that time was it not generally understood in the City, that the stock of coined gold at the Bank was very nearly exhausted?—That was the impression, and probably if it had extended to any very great degree, they would have had it all; but it was one of those circumstances which happens nobody knows how, that, as I stated before, whether from fatigue or exhaustion, or whether from being satisfied, the Public did not take all that the Bank had.

5061. Without throwing any intentional delay, does not the counting of money in exchange for notes take a considerable time?—It takes an enormous time; but if an expedient of that sort had been resorted to, instead of handing over the gold, bag after bag, it would have weakened the confidence of the Public, and might have accelerated the ruin we wished to avoid.

5062. Do you recollect what was the utmost amount taken out in any one day?—The time was when I could have stated it to a pound, but I cannot do it now.

5063. Was the turn which took place in the public mind after the 17th, sufficient to save the Bank from being drained, if it had not been for the fresh arrival on Monday morning?—During the week ending on the 24th, there was a demand, but the supplies that came in fully equalized it, if it did not do more, and the confidence had become as nearly as possible perfect by the evening of the 24th.

5064. Do not you conceive that when the Government refused absolutely to issue a Bank restriction under those circumstances, they did assume at least as much responsibility upon themselves as if they had issued a Bank restriction?—They had it certainly in their power to have granted that which was asked, and which was considered, by the body of men who asked it, as sufficient to save the country, at least to a certain extent, and in refusing it, they took responsibility, no doubt, upon themselves, as we did in refusing the advice that was offered to us, to give a notice that by a certain date we would begin to pay in gold again.

5065. If it had afterwards appeared, as it probably would, that the Bank were inclined to advise a Bank restriction, but that the Government absolutely refused to issue it, do not you think that practically in the eyes of the country the Government would have assumed as much responsibility in declining the issue of that Order in Council, as they would have assumed by the issue of it?—I think it is very much the same thing, because those that thought they ought to have given it, would have held them responsible.

5066. When the 1 l. notes were issued, which it has been stated immediately allayed the Panic, were not the Public generally of opinion that the stock of gold at the Bank was nearly exhausted?—I conceive they must have felt that it was a tremendous thing to stand a run of that description. I have not the least doubt the good sense of the commercial part of the country at that time induced them so readily

readily to come in to the taking of 1*l.* notes, and that it had a very material effect in giving confidence.

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5067. Supposing the stock of gold in the Bank had been actually exhausted, would not the substitution of paper have produced just the same effect as it did, although the stock was not actually exhausted, inasmuch as the Public believed that such was actually the case?—It might have done that, and one would hope that the confidence that the Public seemed to have in the Bank might have justified the attempt; but that is an hypothetical question.

5068. Was that issue of 1*l.* notes made with the sanction or by the advice of the Government?—I should say certainly with their concurrence, because the circumstance was mentioned to them, and there was no objection made by them, and the banking interest of London were exceedingly prompt upon the subject.

5069. With whom did the suggestion of that measure originate?—I cannot say, for I did not recollect myself that we had any 1*l.* notes in the house, and it was mentioned quite accidentally to us.

5070. Did the suggestion of the issue of paper to sustain the credit of the Bank originate with the Government?—I rather think we went up and stated the fact, we mentioned it officially to His Majesty's Government, and it was asked if it was a fair thing to recur to; it was considered that it would be fair, and there was great satisfaction in my mind, when I found the Public so well disposed to take the notes.

5071. Have you reason to know that that issue had the happiest effect in allaying the Panic?—I believe so.

5072. Did you commence that issue whilst the Panic was at its height, or after the Panic had begun to subside?—I think it was during the current week, to the best of my recollection.

5073. Did not you in that week also pay away guineas and half guineas?—I think we did not in that week, but that we paid a very inconsiderable sum in the two days following it; we had guineas in the house.

5074. Were not a considerable part of the Bank notes sent into the country?—Almost invariably.

5075. Were not some sent to Norwich?—At Norwich, when the Gurneys showed upon their counter so many feet of Bank notes of such a thickness, I have heard, that stopped the run in that part of the country.

5076. In the case of a run on the Bank of England, when a demand is made by the holders of notes, is it not always the practice to count the gold in exchange for notes?—In smaller sums; but I would instance the case of Bankers requiring 5,000*l.* or 10,000*l.* in sovereigns, they would be content to take from the Bank in full confidence five or ten bags each of 1,000*l.*; the weight is marked outside, and in that confidence they take it and send it to their customers, and I never heard of any mistake.

5077. You mentioned that in the last run upon the Bank, two or three months since, the great demand was from the holders of notes; in that case is not the gold all counted?—Most unquestionably; in the first place, the Public would not require 1,000*l.* in a bag, and if they did they would not take it with the confidence that the Bankers do; but if we had stood to counting during 1825, I think we might have been counting now almost.

5078. Therefore is it not exceedingly difficult to exhaust the Bank by the mere presentation of notes in exchange for gold?—Yes.

5079. You are understood to say that during the Panic of 1825 the heaviest demands for gold proceeded from the London Bankers, and that it is the practice of the London Bankers to take gold from the Bank by weight, and not by counting it?—Yes, universally.

5080. Do you recollect whether or not the public press, during the period of the Panic, did not materially contribute to augment it and to continue it?—I had so little time to read a newspaper at that time, that I cannot answer the question; I dare say the information which was given to the Public would, as in all those cases, be exaggerated.

5081. In the management of the Bank, do you and your brother Directors hold yourselves responsible to the Public and to the Government for the management of the concerns of the Bank, or to the Proprietors?—We are the elected and sworn servants of the Proprietors, our responsibility is to them; but I conceive that we

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can hardly perform our duty to them as we ought to do it, without performing a duty also to the country.

5082. In cases where the immediate interest of the Public and of the Proprietors may happen to be at variance, as a rule of management, would you hold it to be your duty to consult the interests of the Public, to whom you are not responsible, or the interests of the Proprietors, to whom you are responsible?—It has happened to us to feel it our duty to our Proprietors to postpone their interests in order to effect some important good to the Public at large, in which their interest might be mixed up; but I mean to say that it has not been the practice of the Bank to sacrifice the wishes and the expectations of the Public merely to a dry consideration of the interest of the Proprietors, because they are so blended that it is hardly possible to keep them distinct.

5083. In cases of conflicting duty, would not the principle of action adopted by the Directors, depend upon the view taken of their conflicting duty by the parties that happened to be the Directors at the moment?—Of course it would depend upon circumstances; they would give the circumstances their best deliberation, and their action would be the effect of that deliberation. But I am satisfied that the Bank would never look to the dry question of profit and loss, where the general welfare was at stake; I am sure there are repeated instances in which they have shown that. Had the Bank pursued a different conduct, I should imagine their profits must have been upon a much larger scale; but I must always contend that the Bank have used their power with moderation.

5084. Looking to the effect which the issue of 1 *l.* notes had in 1825, should you think it a prudent thing for the Bank to keep in reserve 1 *l.* notes, if they had the power of issuing them by law?—The Bank has some notes of 1 *l.* but not the power of issuing them.

5085. And practically they have not the power of issuing them by law?—No.

5086. You are probably aware that by the Parliamentary Return it appears that the issue of promissory notes and post bills on the 5th of February 1825, amounted to 21,900,000 *l.* and in the third week in November they amounted to 17,460,000 *l.* showing a reduction, in the course of nine months, of nearly 4,500,000 *l.*; are you of opinion that that reduction, and its consequent effect on prices and on credit, was one of the causes, if not the principal cause, of producing that state of alarm?—I think during the interval bullion was withdrawn from us, which would bring in the Bank notes.

5087. If the sum mentioned, of 4,500,000 *l.* should not have been an entire contraction of the currency, for the reason you have stated, are you not of opinion that such a contraction took place and to such an extent in the course of those nine months as principally operated to produce that alarm?—That is not my opinion; I believe that the contraction of Bank notes was represented by an issue on demand of gold, and therefore it could not be considered a reduction to that extent.

5088. Is it your opinion that no considerable contraction of the currency issued by the Bank of England took place between February 1825 and November 1825?—Whatever contraction took place, I believe was represented by the quantity of gold withdrawn from the Bank.

5089. If it should have been stated by Lord Liverpool that the contraction of the currency between February and November, in the issues of the Bank of England, amounted to 3,500,000 *l.* and that that was one of the principal causes of the distress, do you think that statement was inaccurate?—I cannot agree with that, as far as I recollect it at this moment; because, although Bank notes may have come in, I consider that gold was given out against them, and therefore that gold would perform part of the function of Bank notes.

5090. Throughout the greater part of that period, were not the Foreign Exchanges adverse?—To what extent I do not recollect.

5091. If the fact was that the Foreign Exchanges throughout that period were adverse, and the effect of an adverse foreign Exchange be an efflux of specie, are you not of opinion that the issue of gold by the Bank, as related to prices here, would not be coincident in extent with the amount of the contraction of notes?—If the Exchanges were as stated, and the gold going out, and the Bank notes reduced, I think that would operate the effect of keeping things steady, it would benefit the state of the Exchanges.

5092. Are

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5092. Are you not of opinion that the effect of either an expansion or a contraction of the issues of the Bank operates directly upon the price of stocks, or, if not immediately, ultimately?—It would be hard to answer that; there are so many contradictions on that point, that you may answer either one way or another? I believe that at times the issues have had little to do with it; but I have heard that there are frequent cases when the circulation has been full, and the price of stocks has not been much affected.

5093. Supposing the Directors of the Bank of England not to be restrained by a principle of honour from going on the Stock Exchange, and entering into time bargains, are you not of opinion that the certain knowledge of an intention either to contract or to enlarge the issues of the Bank would enable a Director to speculate with an immense and unfair advantage?—If they were dishonest enough to practise it, I suppose they would do what other dishonest men would do; but no honourable man would do it; and I do not suppose, if it were known, that such a man would be re-elected. It is putting a very extreme case.

5094. Do not you think that if a Member of the Government availed himself of the official information he possessed, he might do the same?—Unquestionably; if men will be dishonest, I do not know any control you have over them.

5095. Do you think that the effect of a rise or fall in the stocks follows so certainly an increase or diminution of the Bank circulation, as to be a ground for speculation for any man upon the Stock Exchange?—I should think not.

5096. Has not a Member of the Government a duty to perform to the Public, and is not he responsible to the Public, whose servant he is; whereas, is not a Bank Director quite irresponsible to the Public, and irresponsible even to the Proprietors, for his private transactions?—I conceive that with respect to responsibility, we are the elected and sworn servants of the Bank; and I have never yet been able to find that I could perform my duty to the Proprietors, without taking into view the effects and results of all the measures that were deliberated on; and I humbly venture to say, however unpopular the idea may be, that it is impossible for us to serve our masters well, without serving the country, who are our great customers, well at the same time; I am sworn to my proprietors, but I know there is a monitor besides the oath taken upon the Gospel, that tells me, although I am not sworn to His Majesty's Government or the country, what my duty is to the country.

5097. *Cæteris paribus*, when there is a large increase of the issue of Bank notes to take place, would you expect that the price of exchequer bills and public funds would rise?—The idea is, that when there is abundance, the funds and all securities look favourably; but to say there are no counteracting causes, is impossible.

5098. Do you think a man could with any safety make a time bargain for stock, upon the knowledge of the fact that the Bank was going to make an issue of notes?—I should think there would be very few men bold enough to do it; no man that had any property to throw away, I think, would do it.

5099. Do you think it would be wise for a man to enter into a contract for the purchase of an estate under the circumstances stated?—A man going to purchase an estate would like, I suppose, to see the funds high; but I very much question whether a man, going quietly and methodically to work, would enter much into the state of the funds in such a case, but I cannot tell; and the honest truth is, that I have had no transactions of that sort within my reach.

5100. The question referred to a supposed speculation upon a contraction of issues of paper, if it would not be wise to do so with regard to the funds, would it not be equally unwise with reference to a purchase of land?—In those cases, I always understood that men of prudence take their chance of whether the funds are high or low, they look to the average; but these are subjects upon which I have no practical knowledge.

5101. Is it not your opinion that the interference by Parliament with the currency at different times, has been very injurious to the public interests?—As to circumstances of that sort, I would rather decline giving any opinion; I have always thought, and still do think, that the more steady we can be in all our movements with respect to the currency of the country, the better; but with respect to measures that have taken place by Parliament, I think it is hardly within my province to offer an opinion; they have been done by a majority of the House, and no doubt with the best intentions.

5102. In 1822, when Parliament renewed the Bill for the issue of 1 l. notes to

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continue in circulation for another ten years, was that done upon an application from the Bank of England?—By no means.

5103. Do you believe that at that time the state of the circulation required that interference?—I can only say that every preparation had been made by the Bank to carry into effect the measure of 1819; and that of course if that change in 1822 had been anticipated, it would not have required the exertions that the Bank made.

5104. You think that that vacillation with regard to the currency was injurious to the Bank of England, and, through the Bank of England, to the Public at large?—I only say that it was a departure from what was expected.

5105. You distinctly recollect that the alteration in 1822 was not made with reference to the interests of the Bank?—The Bank could not benefit by it in any way whatever; it was rather a derangement of the view and the plans we had taken.

5106. Was not 1822 a year of great depression and distress among the trading manufacturers?—I believe it was.

5107. Was not the object of continuing the issue of small notes to make money less valuable, and to relieve that distress?—I think that was the object.

5108. Immediately after 1822, did not a considerable rise take place in the prices?—I do not exactly recollect.

5109. Was not the effect of the issue of 1*l.* notes on the part of the Country Bankers, to drive the whole of the gold out of circulation in the country?—I do not know that it had the effect of driving it out of circulation; of course it made it less desirable and less necessary.

5110. Practically, has not an issue of 1*l.* notes a tendency to drive the gold out?—Of course if people were satisfied with 1*l.* notes, they would not require the sovereigns, and the result will be that there will be less demand for gold.

5111. Would not the gold find its way to the Bank of England?—That is generally the spot at which it arrives.

5112. Would it not be the manifest interest of every Country Banker to collect the sovereigns in his neighbourhood, and send them to London?—Certainly; a dead security of that sort is not what suits an active trade.

5113. If the 1*l.* notes were Bank of England notes only, and there were no Country Bank notes, would there be any interest in the Country Banker to send specie to London; might not the Bank notes and gold exist together?—They might, but I think it is more than probable that people will do what they have done before, that is, use the Bank notes for greater convenience; but it would depend upon the degree of confidence, and if the Public were used to sovereigns, they might or might not like paper.

5114. In the event that the Bank of England, from panic or any other circumstance, were to find its specie become low, so as to endanger its security, what should you think of a plan by which the Government of the country should furnish to the Bank of England a species of paper for which the Government were responsible, and furnishing to the Bank a limited extent of such paper to be made use of by the Bank in succour of their payments in lieu of gold, and that that paper of the Government should be held to be a legal tender?—That involves so many considerations, that it is quite impossible for me to offer an opinion upon the subject.

5115. Would it not have the effect of stopping any inconvenient demand upon the Bank?—I cannot answer that question off-hand.

5116. Would not that be only an indirect mode of issuing Government paper not redeemable by specie on demand?—It would be Government paper unquestionably; but it seems hardly agreed in what material it is to be paid; but upon questions so exceedingly theoretical I cannot offer any opinion worthy the notice of the Committee.

5117. Have the Bank of England petitioned Parliament for a renewal of the Charter?—They have not, to my knowledge.

5118. Do you know whether it is the intention of the Bank to petition Parliament for a renewal?—That will depend upon circumstances. The official organ for such questions is the Governor.

5119. If a petition should be presented to Parliament, what do you conceive will be the grounds stated, to show the House that the Public have derived such benefit from the Charters already given, as to justify the renewing it?—I can only say that I am quite sure if it is presented, the Bank will only do it in the consciousness

ness that it is entitled to do so, and that it has rendered good service to the country ; I am sure that is the conviction of every man who sits there, and that such have always been his intentions.

*John B. Richards,
Esq.*

26 July,
1832.

5120. Do you not think that the accumulation of treasure which took place at the Bank, gradually increasing during 1822 and 1823, and up to February and May 1824, having increased to between thirteen and fourteen millions, may have been owing to the 1*l.* notes supplanting the gold in the country, and to that gold finding its way to the Bank of England?—I think it is very probable, but I cannot at this moment recollect all the sources from which the gold came.

5121. Must not that accumulation of gold in the hands of the Bank, which has been stated to have been at the largest amount in the early part of 1824, very injurious to the country in its effects, as assisting in producing the Panic?—It was lying there inactive, no doubt.

5122. Did not that embarrass the Directors in the management of the affairs of the Bank?—Undoubtedly they wished to be strong, but probably there was not a necessity for that large sum.

5123. If in the year 1825 the Bank had been by law compelled to publish the amount of the bullion in its coffers, do you think that would have increased the Panic, or diminished it?—My own opinion is, that it would not have diminished it; the converse I leave others to fill up.

5124. Do you think that in the long-run the complete publicity of the concerns of the Bank would be attended with more hazard or advantage?—That is a question that must be left for the decision of Parliament; and it is one that ought to be treated, in my humble judgment, with a vast deal of discretion.

5125. From your long experience, do you on the whole think that publicity, either complete, including the amount of bullion, or partial, that is to say with respect to all other transactions, except the amount of the bullion, would be on the whole beneficial, or not?—I have not that confidence myself, which many entertain of the advantages of publicity of the Accounts. That is merely my individual opinion; but this I believe, that supposing publicity were to be established as a law, it ought not to be confined to one body, but that every body of persons who had the power of issuing should be placed precisely upon a par. But as to the main question of publicity, I must say that it must be left to the wisdom of Parliament, and in my judgment it is one that requires very serious deliberation.

5126. When you say that you think there would be some hazard attending that publicity, do you consider that the danger would be equally applicable to the publication of all other circumstances, excluding the amount of bullion, or does your objection apply particularly to the amount of bullion in the coffers of the Bank?—I state generally, that I am not confident that those advantages would result from publicity which many suppose, and I would rather abide by that answer.

5127. How can the Public judge whether there is steadiness of management, unless they are acquainted with all the circumstances attending that management, which would be furnished to them by the publication of the Accounts?—I question if every merchant was to lay before his customers and the Public his transactions invariably, whether the trade of the country would go on the better for it.

5128. Do not you think that there is a great distinction between the management of the affairs of the Bank, upon which the whole commercial interest of the country depends, and the affairs of a private individual?—Certainly; but I do think there is some analogy between the two, comparing great things with small.

5129. Would not the evil consequences attending a stoppage of payment by the Bank be infinitely greater in amount than the consequences from a suspension of payment by a private trader?—Yes; but the Committee will understand that in comparing the two together I did not mean to imply that they were similar, but I only ventured in that way to illustrate it in the best manner I could on the instant; but I mean to say that I do not feel that confidence in the advantages of publicity which many others do.

5130. Do not you think the effect of it would be to render the Bank somewhat more cautious in the conduct of its affairs, and to induce it to keep up a larger store of bullion than it otherwise would?—I think, so long as the Bank is regulated by the honest intentions it has pursued, it would make no difference, and that the best security you have is to get individuals of integrity to manage it.

Veneris, 27^o die Julii, 1832.

RIGHT HON. SIR JAMES GRAHAM, BART. IN THE CHAIR.

Henry Burgess, Esq. called in; and Examined.

*Henry Burgess,
Esq.*

*27 July,
1832.*

5131. YOU are the Secretary of the Committee of the Country Bankers now sitting in London?—I am.

5132. Have you a list of that committee?—No, but I can furnish it.

5133. How is the committee formed?—The committee was formed before I was introduced to them; I think they were selected by Sir John Wrottesley, the then Chairman.

5134. Do the committee represent all the Country Bankers in England and Wales?—There are a few Country Bankers, perhaps an eighth part, that never have contributed to the fund which belongs to the Country Bankers, out of which this committee is formed.

5135. Are they Country Banks spread through the country, or the Bankers in any particular district?—Spread all over the country.

5136. When was the fund created, and for what purpose?—In 1827.

5137. What was then the object of the Country Bankers?—To protect the interests of the Country Bankers, and to resist any further encroachment on those interests upon the part of the Bank of England.

5138. Has there been a meeting of the body, so as to express an opinion upon the expediency of renewing the Bank of England Charter?—Not any formal opinion, but the matter has been mooted and discussed.

5139. Then in point of fact, the committee can express nothing but the opinion of themselves as individual Bankers, not the opinion of the body of Country Bankers at large?—I apprehend those Country Bankers who have contributed to the fund out of which the committee defray their expenses, would consider that their interests are properly attended to by the committee.

5140. When that fund was raised, was the question of the renewal of the Charter at issue?—It was expected even in 1827 and 1828, and a deputation from this Committee of Country Bankers waited upon Lord Goderich, and subsequently upon the Duke of Wellington, upon that subject, and they obtained from His Grace a pledge that in any contemplated arrangement with the Bank of England, the interests of the Country Bankers should be attended to.

5141. Was there any opinion expressed as to the policy of the renewal of the exclusive privileges of the Bank of England?—I am not aware of any formal opinion expressed by the body.

5142. Are there any distinct propositions relating to the Bank Charter, or any new system of Banking to which this committee have agreed, and resolve to endeavour to support in Parliament?—I think not, as to either of those; they have formed a very strong opinion as to one point, relating to their own issues.

5143. What are the propositions relating to the issues of Country Bankers, to which the committee have agreed?—The principal one is, that if security for their issues of promissory notes was demanded from Country Bankers, they would rather relinquish their issues than give security.

5144. What others are there?—I do not know there is any other that has obtained the same formality; and perhaps I ought not to relate what has passed merely in conversation, and has not been reduced to any formal act or resolution.

5145. What formality has the proposition you have just stated, received?—It was the resolution of the Bankers that met, I think about 50 in number, and I think it was embodied in the Petition to Parliament.

5146. Have the Joint Stock Company Country Banks taken a part in the proceedings of the committee?—No, if by Joint Stock Banks be meant those Banks, the shares of which are sold in the open market. There are two or three Joint Stock

Stock Banks, taking that term in the sense of persons entered into copartnership exceeding six in number, Messrs. Stuckey, and Messrs. Halford in Bristol, and Messrs. Elton of Bristol, the partners of which have contributed to found or attended the meetings of the Country Bankers.

Henry Burgess,
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5147. Then, with the exception of those three, the Joint Stock Banks in other parts of the country have not united with the Country Bankers whom you represent?—No.

5148. Are there no other propositions than that of remonstrating against the Bankers being required to give security, which on the part of the Country Banks you are prepared to recommend to the Committee?—I am not aware of any that has been passed unanimously as a resolution of the committee; there have many points been discussed by different Bankers, and concerning which I could state their views, but there is nothing of a formal nature, except that.

5149. With regard to the opinion of the Country Bankers assembled in committee, you think yourself competent to speak?—Yes; but the opinions of different Bankers upon distinct points will vary very much.

5150. Have you had any opportunity of communication with the Country Bankers throughout England, prior to your election to the situation of Secretary?—Yes, during the last four or five years I have visited 40 out of 50 of the Country Banks in England and Wales, and had conversation with partners in them on matters relating to their business and to the general business of the country in which they are carrying on their concerns.

5151. Have you any list of all the Country Banks of England and Wales?—There are lists published, and I can furnish the Committee with a list from the Stamp Office, of the date of 1829.

5152. Can you give information to the Committee as to the amount of the circulation of Country Bankers in England and Wales?—Any estimate of the amount must be a mere guess, there is no specific information to be obtained, I apprehend. I have a Statement of the relative increase or decrease from the year 1818 to the year 1825, stating the comparative amount in each year, assuming the first amount by the number at 100.

5153. Does that Return embrace the whole Country Bankers of England and Wales?—No, it embraces 122.

5154. Out of how many?—I am not acquainted with the number of Country Banks issuing notes; the number of licenses is a very imperfect criterion, because every Banker issuing notes at a Branch is obliged to take out a license for the Branch as well as for the mother Bank.

5155. Does that number include Branch Banks, or the principal Banks alone? The principal Banks alone.

5156. Then what proportion do you think the 122 bear to the principal Banks in England and Wales?—I should think one-third.

5157. Have you any idea what proportion of the whole issues belong to those 122 Banks?—I should think much more than a third.

5158. How have those Banks been selected, have they been selected with a view to any particular object?—No, we took every return that could be reduced to our system of account.

5159. Are the Committee to understand that you wrote to all the Bankers, and that these 122 are all the answers you received in such a shape that you could reduce to your calculation?—Yes.

5160. The authenticity of these Returns, it is presumed, rests entirely upon the honour of the parties?—Yes.

5161. The Committee understand that the number first given was a cabalistic number, and each individual gave his issue in proportion to that number?—Some of them returned their actual issues; others assumed a number of their own, and stated a per centage of variation in each year.

5162. Should you think that the account of these 122 Banks gives a fair view of the operations of the whole body of the Country Bankers of England and Wales?—Perfectly fair.

5163. And you think the general result drawn from this scale would correspond with the result of all the Bankers of England and Wales, if you had returns from them?—I think it would with great accuracy.

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5164. Then this Return is, upon the best evidence you can obtain, an approximation to what you believe to be the relative amount of Issue in each year of the different 122 Banks to which it relates?—It is much closer and better evidence than any that I have ever seen before, as to the issues of Country Banks.

5165. Will you have the goodness to deliver in the Return?—

[The same was delivered in, and read.]

RETURNS of the ISSUES of 122 COUNTRY BANKS in *England and Wales*, from the Year 1818 to the Year 1825; taken in the month of July in every Year.

No.	1818.	1819.	1820.	1821.	1822.	1823.	1824.	1825.
1	100	113	114	118	114	93	93	101
2	100	100	100	100	100	100	105	115
3	100	99	89	90	94	88	94	116
4	100	97	100	80	80	81	101	119
5	100	90	100	100	115	100	120	150
6	100	100	86	127	121	118	124	116
7	100	102	110	110	94	93	100	118
8	100	100	100	100	80	70	85	95
9	100	68	69	54	55	52	61	68
10	100	106	90	97	80	80	99	95
11	100	85	89	79	79	66	85	100
12	100	113	95	103	90	81	81	83
13	100	110	100	100	84	80	88	97
14	100	97	96	94	85	80	85	82
15	100	100	94	97	80	80	78	67
16	100	117	100	101	105	106	135	134
17	100	100	100	90	80	80	100	110
18	100	120	105	105	105	105	105	121
19	100	97	91	77	78	86	100	101
20	100	79	84	75	76	62	59	46
21	100	100	92	95	82	81	91	87
22	100	108	79	76	72	70	65	53
23	100	102	92	92	82	80	82	76
24	100	100	100	100	75	100	100	95
25	100	113	104	100	90	85	85	96
26	100	98	90	89	78	80	95	111
27	100	104	107	86	86	76	85	100
28	100	100	100	100	82	108	125	138
29	100	100	100	96	86	88	88	98
30	100	98	85	88	82	83	88	104
31	100	75	67	73	82	80	87	105
32	100	105	95	78	70	81	81	81
33	100	103	101	101	111	115	115	116
34	100	97	90	86	77	73	76	72
35	100	100	100	100	100	100	100	110
36	100	97	92	102	86	78	83	89
37	100	105	106	97	82	89	102	122
38	100	88	86	80	64	58	55	51
39	100	89	82	87	90	82	93	99
40	100	88	84	83	87	79	94	95
41	100	100	99	98	97	97	97	98
42	100	98	98	80	73	87	68	89
43	100	92	84	84	84	76	84	90
44	100	103	103	104	97	102	103	107
45	100	102	99	94	85	114	109	103
46	100	84	82	65	57	59	61	64
47	100	95	95	75	79	82	99	91
48	100	110	100	97	103	94	92	81
49	100	110	112	106	102	92	94	120
50	100	116	132	104	96	92	105	148

Returns of the Issues of 122 Country Banks in *England and Wales*—continued.Henry Burgess,
Esq.27 July,
1832.

No.	1818.	1819.	1820.	1821.	1822.	1823.	1824.	1825.
51	100	107	120	135	130	125	124	115
52	100	91	91	91	75	75	75	84
53	100	100	70	95	85	85	65	75
54	100	100	90	75	60	60	66	70
55	100	88	87	87	88	79	85	101
56	100	84	75	75	80	72	91	80
57	100	80	73	80	60	60	55	65
58	100	102	98	90	72	78	78	85
59	100	95	90	80	66	71	83	102
60	100	109	77	93	84	87	87	105
61	100	102	84	79	73	72	110	111
62	100	102	106	100	94	94	105	106
63	100	104	102	101	89	84	67	66
64	100	117	129	125	121	97	114	130
65	100	76	74	63	91	93	93	122
66	100	69	74	94	83	68	83	100
67	100	102	86	84	80	84	86	86
68	100	103	114	114	108	102	135	123
69	100	101	101	101	90	82	70	70
70	100	66	69	97	97	69	75	99
71	100	100	100	117	100	100	112	119
72	100	100	112	80	101	107	115	125
73	100	97	76	75	70	66	112	125
74	100	119	119	97	103	102	127	160
75	100	106	100	109	106	102	118	123
76	100	90	90	83	78	83	76	87
77	100	109	99	126	114	114	155	158
78	100	92	86	83	75	79	94	104
79	100	109	99	84	85	67	76	74
80	100	84	85	88	74	74	84	110
81	100	88	79	77	86	76	87	102
82	100	100	100	100	100	100	100	93
83	100	106	107	104	101	92	95	102
84	100	93	84	100	118	136	167	158
85	100	91	87	88	100	116	151	163
86	100	88	78	78	78	98	102	100
87	100	90	95	91	91	86	105	113
88	100	97	94	87	75	80	80	80
89	100	116	80	83	94	144	143	162
90	100	75	67	88	86	86	79	86
91	100	74	81	87	72	64	66	72
92	100	92	104	92	82	82	77	85
93	100	100	100	70	76	83	89	92
94	100	105	103	95	95	103	105	115
95	100	100	100	100	100	100	110	111
96	100	100	100	146	109	109	109	109
97	100	100	100	124	116	121	127	162
98	100	100	100	100	105	112	120	125
99	100	83	74	88	95	88	121	139
100	100	89	98	73	75	70	84	85
101	100	100	100	93	88	83	82	38
102	100	100	98	86	73	76	78	89
103	100	100	105	102	121	114	103	114
104	100	110	100	95	81	73	80	86
105	100	92	89	99	89	94	103	102
106	100	90	79	67	58	51	57	65
107	100	100	105	110	116	122	131	142
108	100	98	94	93	87	86	94	99
109	100	112	97	93	82	93	96	107
110	100	105	97	93	87	86	82	90

Henry Burgess,
Esq.

Returns of the Issues of 122 Country Banks in *England and Wales*—continued.

27 July,
1832.

No.	1818.	1819.	1820.	1821.	1822.	1823.	1824.	1825.
111	100	105	100	105	100	103	112	128
112	100	102	106	100	87	81	70	69
113	100	95	89	75	79	66	75	73
114	100	108	119	124	97	115	96	96
115	100	101	96	113	108	102	94	93
116	100	80	80	72	64	66	68	78
117	100	100	103	102	96	105	121	127
118	100	83	76	75	69	76	90	93
119	100	150	102	99	91	92	120	130
120	100	98	82	80	100	105	114	122
121	100	92	93	92	85	100	130	150
122	100	106	106	98	102	101	111	129
	12,200	11,991	11,487	11,352	10,778	10,748	11,640	12,478

GENERAL RESULT:

1818	-	-	12,200	-	difference.	£.	s.	d.		
1819	-	-	11,991	-	209	-	being	1	15	- per cent decrease from 1818.
1820	-	-	11,487	-	709	-	-	5	16	10 $\frac{1}{2}$
1821	-	-	11,352	-	848	-	-	6	19	-
1822	-	-	10,778	-	1,422	-	-	11	13	1 $\frac{1}{4}$
1823	-	-	10,748	-	1,452	-	-	11	18	$\frac{1}{4}$
1824	-	-	11,640	-	560	-	-	4	11	9
1825	-	-	12,478	-	278	-	being	2	5	6 $\frac{3}{4}$ in increase over 1818.

The circulation of Country Bankers' notes appears to be the lowest in the year 1823, and the highest in the year 1825. The increase from the lowest to the highest, is £. 16. 1. 1 $\frac{3}{4}$. per cent.

5166. Would you be able to furnish a similar Return from 1825 to the present time?—It is difficult to get returns, because the small notes would interfere with its accuracy. Some Bankers began to take them out in 1827, and some Bankers have not taken them all out yet. There is a Bank in Cornwall that has 1 l. notes in circulation, the miners identify their prosperity with them, and they will not bring them in for payment; and there is another in North Wales.

5167. Do you mean that they have never been returned for payment?—Yes, they have never been returned for payment; they have not been re-issued by the Bankers.

5168. What are the names of the Bankers?—Grills & Company, of Halston in Cornwall, and Jones, of Llandovery in South Wales.

5169. Does this Account include the circulation of any Banks that failed at the latter end of 1825 and the beginning of 1826?—It includes some of them that resumed payment, but no others.

5170. Do you know how many, that failed in 1825, have never resumed payment since?—I should think not exceeding twenty principal Banks.

5171. Does not the effect of the Return you have given in, demonstrate that between the period 1818 and the period of 1825, no increase exceeding five per cent has taken place in the circulation of the Country Bankers?—Not as compared with 1818; the year 1818 was a year of high circulation.

5172. Is there not an increase between 1823 and 1825, of 16 per cent?—There is, amounting to about 16 per cent.

5173. And how much between 1822 and 1825?—Very nearly the same as between 1823 and 1825.

5174. Is it possible to get any account of the circulation of the Banks that failed between 1818 and 1825, which have not resumed payment?—I have tried to do it, but could not succeed perfectly to my own satisfaction.

5175. Can you state the number of Banks which, failing in 1825, have not resumed payment since?—I am not prepared to answer that with any accuracy; I should think nearly 30; many have paid in full, without resuming business. Some Banks have resumed business since, without issuing their own notes again. Many appear

appear in the list of Bankers, who are not actually Bankers, but they take out a Banker's license to issue notes. In the town of Trowbridge there were at one time nine or ten licensed Bankers, and only one substantial Banker carrying on banking business.

5176. You state that the Country Bankers assembled in London have come to a resolution, that if called upon to give security for their issues, they would cease to issue; what is the reason of their objection upon that head?—They have various reasons; but the strongest, I think, is, that it would be giving a preference to one class of creditors over another. Bankers regard their depositing creditors quite as worthy of being secured against failure as the persons that circulate their notes; and I think that is the strongest ground for their resistance to such a regulation.

5177. Then it is a regard to their customers, not any objection as relates to themselves?—Decidedly so, in a great measure; but at the same time they would by giving security in the Public funds be locking up their own funds, which would not then be available for the purposes of banking, and they would be forced to encounter a risk by investing money in the securities of Government, which at times they would not like.

5178. Do you think it would have this effect, that supposing the Country Bankers to give security for their issues, it would create an alarm upon the part of the depositors, and induce them to withdraw their deposits?—I think it would; and I think that is the main ground of the Bankers objecting to give security. There are many Bankers, the amount of whose deposits are tenfold the amount of their issues; and they would regard it as having an improper mark set upon them, if the Government were to call upon them for security for their issues of notes, which they do not furnish for their depositing customers.

5179. Would they consider it an impeachment of their credit in the eyes of the district in which they live, it being thought that their notes could not be safely taken without giving security?—Yes.

5180. Have you any fixed opinion as to what would be the effect of the withdrawal of the circulation of Country Bankers, in consequence of such a regulation, upon the internal commerce of the Country?—It would throw extraordinary impediments in the way of the internal commerce of the country, because the Country Bankers are brokers of capital, and by depriving them of the convenience and profit derived from their issues of notes, many of them would cease to be the agents for borrowing and lending money. It would therefore impede all the operations of industry throughout the country; many of the Banks would be shut up for want of profitable business, and consequently their customers, both borrowers and lenders, would be excluded from the advantages which they now possess.

5181. If the Branch Banks of the Bank of England issued notes to fill up the vacuum created by the withdrawal of Country Bank notes, or if Joint Stock Banking Companies felt no such objection to giving security, and took up the issue abandoned by the Country Bankers, what would be the effect upon the commerce of the country of such substitution?—No Joint Stock Banks, either chartered Banks, such as the Bank of England, or common Joint Stock Banks, could supply the wants of the community in the same manner as the private Banks; it would not answer the purpose of Joint Stock Banks, unless they have a great number of agencies; and those agencies have been found in all countries to be sources of the greatest danger to the Banks establishing them.

5182. Would not that be a consideration rather for the Banks incurring the risk than for the Public, whose interest is now under consideration?—I think any such substitution must have the effect of drying up the channels of circulation in remote districts, where Country Banks are now carrying on business.

5183. Would it not be the interest of either the Bank of England, through its Branch Banks, or of Joint Stock Banks taking up the circulation abandoned by the Country Bankers, to push that circulation to the utmost verge that prudence would justify?—The Bank of England could not do it without altering the whole regulations of their business; their rules preclude them from lending money upon the same easy terms as the private Bankers do; and the Joint Stock Banks could not do it, because they cannot lend money without the Board of Directors deciding upon each individual case when application for a loan is made.

5184. Are not many of the Country Bankers the receivers and remitters of the taxes?—Some bankers are; but since the establishment of Branch Banks of the

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Bank of England, a great portion of the taxes has been remitted through those Banks, much to the injury of the private Bankers.

5185. Are not the Bankers who remit those taxes subject to an Extent?—Yes.

5186. And as such, has not the Government a priority over every other creditor?—Yes; the Banks that remit the taxes are bound to Government in a bond, and I suppose recourse would be had to the bondsman in the first instance.

5187. The whole property being liable to the Extent, on account of their being remitters of taxes, has not the Government a priority of claim over all other creditors?—Yes.

5188. Was that priority given to the Government, ever supposed to impeach the safety of those Banks in the eyes of their depositors or their customers?—The Bankers remitting taxes are limited in number, I should suppose they do not comprise one-fifth of the whole number.

5189. In those cases where they are remitters of taxes, was that circumstance ever supposed to impeach their credit in the eyes of their customers?—I think it has had an influence upon their credit in the district where such Banks are situated. The circumstance of its being known that Government has a superior claim to all others, has had an influence upon their depositing customers prejudicial to the Bank.

5190. Did not that circumstance affect all classes of their customers alike?—Yes, all classes of their customers who were in the practice of trusting them.

5191. Were there not many Banks of very high credit and importance in the country, that were remitters of taxes?—There were some, undoubtedly.

5192. Why should the circumstance of their giving security for their notes to a limited amount, affect the credit of Banks more than their being liable to an Extent for the whole of their property in preference to their private creditors of every kind was found to affect those Banks which were the remitters of taxes?—An Extent could never cover more than the amount owing to the Government, and the amount owing to the Government was at all times small compared with the deposits and circulation of any particular Bank, and it is a liability that the Bankers were only subject to periodically, it is only at particular periods that they possessed the money, and only for 21 days, or a short time limited by agreement with the Government.

5193. Did it not occur every quarter?—Yes.

5194. You stated that it was to a small amount; why was it small?—I imagine it was small compared with the amount of deposits and circulation of any particular Bank.

5195. You stated also that it was to a limited amount; if security was given by the Country Bankers for their issues of notes, would not that also be to a limited amount?—Yes, but it would be constantly in exercise, and constantly before the Public, as a thing known to all the customers of the Bank; and its object would be obvious and clearly ascertained by all. The other is an obligation in force only at particular periods, and it is not mixed up in the same manner with the business of a Bank.

5196. In case of a Country Banker that receives taxes in this way, and remits them, is not he bound to find security by some responsible person?—Yes, and that sort of security, consisting of private bonds, is more easily given than the security that has been contemplated for the issues of the notes of Bankers. Mr. Vansittart suggested that Bankers should be compelled to give security in the Public funds.

5197. In case of Bankers issuing the notes of the Branch Banks, do they not in fact give security to the Bank of England by means of the bills of exchange they deposit?—Certainly they do.

5198. Is that any security to the Public who hold those notes?—No security whatever to the Public.

5199. You have stated that no public body, either the Bank of England, or a Joint Stock Bank, conducting their business on fixed principles, could give accommodation to the Public in the same manner that the Country Bankers now do; what is the reason of that?—Because the mode of operation is altogether different. The business of a Joint Stock Bank is not directed by a single individual, or two, but by cumbrous Boards of Directors and Managers, who meet perhaps only once a week to decide upon such matters as advances of money to applicants.

5200. Do not the Country Bankers generally consider approved personal character with imperfect security, as sufficient ground on which to make advances?—Yes, with stability in circumstances and condition in life.

5201. Would

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5201. Would a Bank, acting upon fixed principles of management, give accommodation on such considerations?—The Bank of England certainly would not, because their regulations forbid it; but the difficulty of a Joint Stock Bank in making its operations efficient to the Public, though less than that of the Bank of England, is much greater than that of a private Banker.

5202. With respect to the manufacturing and agricultural interests of the country at certain periods of the year, is not accommodation so extended, founded on personal character even without marketable security, a very great advantage at periods of distress?—There are remarkable instances known to me, in which persons have been maintained in their position, and their industrious pursuits preserved to them, by loans of private Bankers made upon personal character.

5203. And no ultimate loss has been sustained by the Bank?—None whatever.

5204. But, on the contrary, a profit on the conclusion of the transaction?—Yes.

5205. Had such accommodation been refused to the parties, on the fixed immutable principles of a public body acting by Directors, what would have been the effect?—Probably immediate discredit, and the ultimate breaking up of the party applying for the loan.

5206. Have you known cases of that sort with respect to parties having extensive transactions, and so extensive that the failure of that one concern would have created great confusion in an extensive neighbourhood?—Yes, I have.

5207. And you had reason to believe that the accommodation granted in a case of that description was mainly founded on personal character?—Yes, I have, but certainly accompanied by a belief in the responsibility of the applicants.

5208. Are there not loans of a similar kind granted by Bankers in London, which are not Banks of issue?—There are occasionally, but rarely; it is rather, I apprehend, an exception to their rule of business, when they are advanced upon individual responsibility.

5209. Do you mean to say that the London Bankers do not act precisely upon similar principles, and advance money very often upon personal security merely?—Upon personal security, but not usually upon the security of the individual himself, without other security, nor for an undefined period as the Country Bankers do.

5210. Your late answers have referred to the advantage of that mode of advance in cases of distress; is it not also one of the modes by which the general business of the country is much facilitated?—Yes, undoubtedly; I know many instances where rents could not be collected if that sort of accommodation was withheld.

5211. Does it not enable the farmer, during the time of his outlay, to await the period of the returns by which he makes his profit?—Undoubtedly.

5212. Does it not also frequently enable the manufacturer to procure the raw material, and to turn it into the manufactured article before his own capital need be employed, and so as to enable him to get a return for his capital and repay the advances so made?—Yes.

5213. Does it not in those ways very much facilitate the commercial transactions of the country as well as the agricultural?—Yes.

5214. Those are the advantages which you conceive to arise from the present mode of conducting the Banking business of the country?—Yes, and they are advantages which I conceive can never be so efficiently supplied by any other system of banking.

5215. Suppose all those advantages were suddenly arrested, and this accommodation throughout all this chain, from the labourer to the landlord receiving rent, and from the mechanic to the master manufacturer, were suspended, what would be the effect?—A convulsion in the whole frame of society, such as was never experienced.

5216. If all those advantages attend Country Banks upon their present mode of doing business, and if the Joint Stock Banks could not give the same facilities, what reason have you to suppose that this course of business, which is found to be attended with so many advantages, will be displaced by the institution of Joint Stock Banks?—There is great fallacy prevailing respecting the advantages and conduct of Joint Stock Banks; I believe they acquire business in a different mode from private Bankers, and in a mode that I should think highly objectionable. I know instances where Joint Stock Banks have tempted old customers from respectable private Bankers, to quit their old connexions and to transact their banking business with the Joint Stock Bank, upon condition of having transferred to them a number of shares bearing a premium. In one instance 500*l.* were in this manner put into the man's pocket who listened to the proposition. I think that, for

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pushing business in this method, and many other ways, the Joint Stock Banks are exceedingly dangerous establishments. It will be obvious to the Committee that a private Banker of high respectability cannot canvass for business, but the Joint Stock Banks have canvassers in all directions; every man that holds a share or a number of shares, or who has a relative or friend holding shares, is a canvasser for customers to those Joint Stock Banks.

5217. Is it not also one of the modes by which they attract customers, that they perform some of their business for them at a cheaper rate than private Bankers have been accustomed to do?—Yes, in some cases.

5218. Is not that an advantage to the customer?—It depends upon the manner in which the customer uses it. Joint Stock Banks often obtain riskful accounts in consequence of their eagerness to acquire custom.

5219. May not the competition between the two descriptions of Banks be of advantage to the customer, although not so advantageous to the Country Bankers?—I do not think it is a wholesome competition, because they are not upon a fair ground of rivalry with their competitors.

5220. Do not you think that the permanent stability of every description of Bank must ultimately depend upon the rate of its profits?—Certainly.

5221. If by competition a rate of charge should be established which should not give a remunerating profit to the Banks in any particular district, must not those Banks either ultimately fail, or be driven from their establishments by abandoning them?—Certainly.

5222. Do you think competition which reduces the profits of Banking, safe or unsafe in its ultimate tendency?—Unsafe.

5223. With respect to the Joint Stock Banks that have been established in consequence of the Act of Parliament, should you, from your experience and observation of them, say that they are upon a safer foundation than the Country Banks which existed before?—I should say that some of them are upon a much less safe foundation; some are certainly quite as safe, as far as their obligations to the Public are concerned; but many of them are upon a particularly unsafe foundation; and I think one of the rules, which I believe is a general rule adopted by all the Joint Stock Banks, will show that the system upon which they manage their affairs is a delusive and bad system. I will read the 22d Rule from a Joint Stock Bank, which I believe is one of the best managed establishments of the kind in the Kingdom; it is the York City and County Banking Company. The rule is, "Shareholders may have credit or advances on cash accounts to such extent of their stock paid up as the Directors think proper." Now I know it is a formal resolution with several of the Banks, that the whole amount of the money paid up upon shares shall always be available to any person who keeps an account with the Bank.

5224. Do you think that is a rule calculated to bring a class of proprietors forward, who do not come forward to invest capital for the purpose of making a profit upon their own capital so invested, but who are desirous of speculating upon borrowed capital?—Yes; there are many examples of very sanguine, speculating individuals, without property, embarking in such undertakings.

5225. And it gives a fallacious appearance of capital to a Bank, which such a rule as that carried into effect would leave without any capital at all?—Yes; and I know an instance where a Joint Stock Bank has, I believe, expended in offices alone nearly one-half of the whole capital paid up.

5226. Might not such a Bank also lend the whole of its capital to its own shareholders?—It is one of the rules of the Bank so to do, when required.

5227. Is a large paid-up capital necessary to the conducting of a banking business?—It is not necessary if there be extraordinary prudence exercised in the disposal of the assets of the Bank; but it is necessary if that prudence is not in exercise.

5228. Does not the number of the contributors afford security to the Public against the losses that may possibly be incurred by the Bank in the management, strictly speaking, of its banking business?—Ultimately it may have that effect, but speaking for a very considerable period, it has no such effect; if you desire on this day to claim a sum of money from a Joint Stock Bank, I believe that a resistance to the claim could be successfully put in motion for 18 months or two years. You are by the Act itself precluded from arresting any co-partners of the Bank till judgment has been obtained from the Secretary of the Company; you must first bring your action against the Secretary and obtain judgment, and then you must

must revive your proceeding against any individual co-partner of the Bank whom you may select for payment.

5229. So that you may have to sue all the partners, before you can recover?—That depends upon the wealth of the first man selected to claim against, and the amount recovered of him pursuant to the claim.

5230. Is it the case, then, that, as the law now stands, Joint Stock Banks might be established, and a great capital called out, all of which might be lent back to the persons that advanced it upon no other security than the shares, and the Bank, being left without any capital at all, might issue notes and receive deposits, and advance large sums upon buildings, and then fail, and leave their creditors without any means of recovering the debt, except by process of law, which might be a year or two years before it could have effect?—Yes, that appears to be the state of the law, by an opinion given upon a case by Sir James Scarlett.

5231. If that state of the law should be altered, can you conceive any state of the law in which it would be very easy for a creditor of a Joint Stock Bank becoming insolvent, to recover money from the individual partners?—No, it is an extremely difficult thing to recover money from Joint Stock Societies determined to resist payment.

5232. When Joint Stock Companies in any branch of trade become insolvent, has your experience led you to observe that the partners in such Joint Stock Companies will commonly throw every legal obstacle in their power in the way of the creditors suing them?—Yes, instances are known to me where they have teased their creditors by legal obstructions, till they have relinquished their claim and law expenses too.

5233. Do you think a shareholder of a Joint Stock Company holding a small number of shares, being liable for the whole debts of the Company, if he were sued for a large debt in an insolvent state of the Company, would feel that he was not justified in putting every legal obstacle against his creditors, to prevent his property being sacrificed?—He would undoubtedly put every legal obstacle to defeat the claim.

5234. Then in any state of the law, might it happen that a creditor who sued individual partners might recover, if he were a man of intelligence, activity and determination, whilst creditors that should be wholly unable to go to legal expense, could commonly get no payment at all?—Yes.

5235. Great objections have been raised against carrying on every description of business by Joint Stock Companies, do you think the Banking business is an exception to the general rule in that respect?—I think so far from being an exception, the mischief that will result to the Public from the establishment of Joint Stock Banks will be greater than the mischief that will result from any other Joint Stock Companies whatever.

5236. Do you think it is liable to abuse in the management?—I think it is exceedingly liable to abuse, and peculiarly liable to negligent management; I know an instance, where, although the Act has not been in operation above six years, a Joint Stock Bank has made losses to three or four times the extent of its whole paid-up capital.

5237. You said that by the rules of the Joint Stock Banks, the shareholders can receive advances to the whole amount of the money they have paid up, upon the security of the money they so paid; might it be the interest of a great number of shareholders to take shares, which they can thus do without an advance of capital, for the purpose of obtaining influence in the management of such Banks?—There was an instance in America, the case of the famous Bank of the United States, where three individuals lent a sum exceeding 3,000,000*l.* on a private speculation; the sum that was finally lost by the Bank from this transaction was 700,000*l.* which was lost in consequence of those three individuals using the credit of the Bank in the manner that has been referred to.

5238. In what you relate with regard to the American Bank, do you speak from hearsay, or from documents produced before Congress?—It is a notorious fact, I think the documents have been submitted to Congress; but there was a gentleman from Baltimore in England about two months since, Dr. Macauley, who is conversant with matters of finance and banking, and he confirmed the fact when I stated it to him.

5239. Is not the United States Bank considered one of the best Banks?—Latterly, it has been so considered.

5240. Have you reason to think that any Joint Stock Banking Companies have been

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been established in this country with that object, namely, that of making the Joint Stock Banking Company available to their own private purposes?—Undoubtedly; the cause out of which have arisen several Banks, has been the refusal of accommodation from the private Bankers in the immediate vicinity to some of the Directors and chief Instigators of those new Banking establishments.

5241. If the object were to make it available to the purposes, not of a few individuals, but of the six or seven hundred proprietors constituting the Bank, would not that be a legitimate object?—Undoubtedly it would, if under discreet management.

5242. Is it a legitimate object of a proprietor of a Bank to look to any thing as a proprietor, but the profit he can derive from that Bank; is it a legitimate object for him to become a partner in a Bank for the purpose of becoming a borrower of money from that Bank?—No, it is contrary to the safe and established principles of good banking.

5243. If the institution of such a Bank affords facility to six or seven hundred traders in the town, by discounting their bills which they had not before, is not that a legitimate object?—If the Bank be conducted upon principles of prudence; but the very circumstance of the former old established Banks existing in the town, and making profit by affording facilities to the Public, declining to give the facilities sought for by the Proprietors of the Joint Stock Banks, is a presumptive proof that something more is wanted than the sound principles of banking would justify.

5244. Suppose a Bank to be established by Proprietors and Directors, the object of whom was to borrow money from the Bank, do not you think that the persons that get possession of the management of the Bank would themselves be the principal borrowers?—Undoubtedly.

5245. What is your opinion of a system of Banks established upon such a principle as that?—That is the most unsound of all systems.

5246. Is it your opinion that by the law, as it now stands, which regulates Joint Stock Banks, the tendency is, that the Directors and a favoured few receive assistance from them, and that the great body of the community, in consequence of the inflexible rules of such establishments, do not receive that accommodation which the Country Bankers afford?—That is my opinion. There is a want of just discrimination in the managers of those Banks. An instance came to my knowledge within the last week, where a Joint Stock Bank lent a sum of 15,000*l.* upon securities, upon which the old private Banker of the borrower had refused to advance 6,000*l.*; the man failed, and the Joint Stock Bank will lose at least 9,000*l.* by the failure.

5247. Was the party receiving such relief in any way connected with the Directors of the Joint Stock Bank?—By association he was; I am not aware that he was connected with them in business.

5248. Can you state any system by which the present state of the law could be so altered as to allow the Joint Stock Banks to conduct their business with security to the Public?—I think it would be difficult. There are instances of Joint Stock Banks conducting their business with great prudence. I know three or four of this description; and one is a Bank in a place where there is no private Banker in the neighbourhood.

5249. If the capital subscribed were invested in securities, would there be any difficulty in allowing parties, who were subscribers, to do business with the Bank to the amount of their shares?—There might, unless the Bank had, from its reputation, a very large deposit fund.

5250. Generally speaking, in the case of Joint Stock Banks that have been recently established, has the amount of their capital paid up been large?—No; a small paid-up capital, generally speaking. I know several where the paid-up capital is under 30,000*l.*

5251. Should you think that a sufficient sum to guarantee against the losses to which banking is subject?—No.

5252. Do you think that Joint Stock Banks, from their mode of management, are exposed to heavier losses and more frequent losses than Country Bankers transacting an equal amount of business?—I do.

5253. What are your reasons for entertaining that opinion?—The lending of money to the productive classes of the country is a matter of great nicety; it requires an extremely nice discrimination as to the character and circumstances of the party borrowing. I think it is a sort of discrimination which the managers of a public Bank, who have not an individual interest in the management, rarely exercise;

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exercise ; and consequently I think they are liable to much greater losses, because they have not the same vigilance and experience as the private Bankers, and they are not so constantly animated by a desire for success as a private Banker, who looks to the profit of the Bank as a means for establishing his family in life, and whose personal character is identified with his conduct as a Banker.

5254. If that is your opinion with respect to the parent Bank, where the Directors themselves assemble, what is your opinion of the risk attending the mode of affording accommodation where it is entrusted to an agent at a distant Branch?—The risk is greatly increased, undoubtedly. I believe that an instance might be quoted of a loss to the amount of 20,000*l.* in consequence of the trust placed in an agent being abused.

5255. What was the capital of that Bank?—A very large capital.

5256. You have stated that a paid-up capital of 30,000*l.* is not a sufficient guarantee for security ; is there not also the further security of the private fortunes of the proprietors?—Yes, subject to the difficulty of getting at those private fortunes by legal process.

5257. In proportion to the smallness of the capital which the Joint Stock Banks have paid up, will not their dividends be proportionably large?—Yes.

5258. Therefore, by calling for a small capital, and dividing a large dividend, they show an appearance of prosperity?—Yes, certainly.

5259. Suppose they paid up a large amount of capital, so as to give perfect security to the creditors of the Bank, would not that compel them to make smaller dividends to the proprietors?—Certainly.

5260. If those Banks that you say have paid up 30,000*l.* were to pay up 100,000*l.* would not the consequence be that they would not be able to pay a dividend that would be satisfactory to the proprietors?—I apprehend it would.

5261. A law, then, that should compel those Banks to pay up a capital which you would think adequate, would be equivalent to a law to prevent any such Banks being established, would it not?—Yes ; we find that those Banks that have the largest paid-up capital, command the smallest per centage of premium upon their shares.

5262. Do you think that if numerous establishments of Joint Stock Banks were to take place, there would not be numerous instances of abuses and corrupt management?—Yes, undoubtedly there would.

5263. Are you aware of the failure of a Bank recently at Carmarthen?—Yes.

5264. Was there an attempt to establish a Joint Stock Bank immediately after the failure of that house?—Yes, directly, I believe.

5265. Did you see a list of the gentlemen proposed as Directors?—Yes.

5266. Do you know whether those gentlemen were largely indebted to the Bank that failed?—I know it only by London Bankers telling me so.

5267. Did you understand that their object was to borrow money from the new Bank about to be established?—Yes.

5268. Are you aware that the individuals that composed the Banking firm made an attempt to convert it into a Joint Stock Banking Company before they actually failed?—No, I was not aware of that.

5269. In your recent answers respecting Joint Stock Banking Companies, especially with regard to the difficulty of recovering debts, what do you mean by Joint Stock Banking Companies?—I mean an association of individuals for the purpose of banking formed under the Act of 1826, and formed publicly, so that their shares are vendible in the market.

5270. What privileges does that confer upon such Companies?—I have enumerated the privilege of not being subject to arrest ; there are other privileges.

5271. Is that the case where they are not chartered?—Yes.

5272. Are you aware of the state of Banking in South Wales?—I know something of South Wales, but less than of most other districts.

5273. Does it come within your knowledge that there is a want, at this time, of Banks of issue in South Wales, and that there is inconvenience felt in consequence?—Certainly there is.

5274. There being no disposition manifested on the part of private capitalists in those counties to establish private Banks, what is your opinion of the establishment of a Joint Stock Bank in that district of country?—It would supply the currency which is wanted.

5275. Then are the Committee to understand that your general opinion of Joint Stock Banks having been established in parts of the country where they

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were not needed, does not apply to that part of South Wales?—I noticed before an instance of a Joint Stock Bank established in a town where there were no private Bankers, I mean Lancaster, and there it has been very useful.

5276. Do not Joint Stock Banks, as compared with Banks consisting of fewer than six partners, labour under some disadvantages, such as not being able to draw a bill of exchange on London for less than 50*l.* and not being able to make their notes payable in London, and also not being able to draw upon a firm immediately connected with them in London?—Those restrictions, according to the letter of the Act, are understood to be in force; it is understood, however, that the Bank of England, at whose instance those disadvantages were thrown upon Joint Stock Banks, would not now interfere with the ordinary system of drawing all bills of exchange upon London.

5277. Do you see any reason why those restraints should not be removed?—None whatever; and in practice they are removed by one of the Joint Stock Banks, upon an assurance from the Bank of England that they will not be disturbed in doing so.

5278. Do any of them issue notes payable in London?—Yes.

5279. Do they draw upon a firm connected with themselves in London?—They do not draw upon a firm connected with themselves in London, but they issue notes under the value of 50*l.* payable in London.

5280. Do they draw bills of exchange themselves for less than 50*l.*?—Yes; and other Banks evade the Act with respect to bills of exchange, by being drawn upon and accepting those bills payable at their Bankers in London.

5281. You were asked why the present Country Bankers of England should fear a competition with the present Joint Stock Banks; might not Joint Stock Banks be established capable of injuring the present system of Country Banking, and yet not be capable of producing advantages either to the proprietors or to the Public?—Undoubtedly.

5282. Might they not disturb and derange the present system of banking in England, without establishing a better in its place?—Yes, I have adduced instances of that.

5283. Supposing one of these Joint Stock Companies were to fail, what would be the effect produced upon the proprietors of the Bank, and also upon the Public?—I can best answer that question by referring to the Stirling Bank, which failed in 1826. There were a few gentlemen of large property connected with that Bank, the property of those few was sold, and as far as it went the creditors received their claims, but not in full; the great mass of the proprietors of the Bank were found to be persons of little or no property, and not worth pursuing for their debts.

5284. Then the small traders that were partners in that Bank were not sued, and did not contribute to paying off the debts of the Bank?—I should not state that broadly; I do not know how many were sued, but I know the general fact to be, that almost the whole of the assets which the creditors received were from a few individuals.

5285. What was the number of the proprietors of the Bank?—I do not know.

5286. Has it come under your observation that most of the bills which those Joint Stock Banking Companies have discounted for their customers are almost immediately afterwards sent to London to be re-discounted?—To London, or to the Branch Banks of England in their vicinity; I know one Joint Stock Bank that has a discount account opened with a Branch Bank to the amount of 150,000*l.*

5287. Is there any objection to that if it is found to be profitable to the Bank?—No, it is a mode of extending the circulation of the country, which is legitimate, certainly.

5288. Do you believe that transactions of that kind can be profitable to any Bank?—They may be profitable to the Joint Stock Bank, so long as they are not visited with bad debts; I do not see how it can be profitable to the Bank of England.

5289. Does the Bank of England discount at one rate in London, and at another rate at its Branches?—Yes, for Bankers.

5290. Supposing one of those Joint Stock Companies, having a large number of subscribers, were to fail, would not the ruin and evil be very great to an immense number of people?—Very great; much greater, I think, as a general rule, than from that of a private Bank failing.

5291. Then it is your opinion that the evil resulting from the failure of a Joint Stock Bank, even though they paid the whole of their notes in full, would carry so

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so extensive a ruin to the proprietors, that it would be a greater injury to the Public than the failure of a private Bank carrying on transactions to the same extent?—I think, inasmuch as a Joint Stock Bank would generally conduct its business with less discretion and prudence, it would be more difficult for the Banks acting in competition with a Joint Stock Bank to take up the accounts of the broken Bank, than it would be to take up the accounts of a private Banker that failed. I knew an instance of a private Bank that failed in Yorkshire, and all the accounts were immediately taken up by other Banks.

5292. The question rather refers to the evil that would fall on the subscribers of the Bank, than upon the holders of their notes?—I cannot draw an analogy between the subscribers of the Bank and an association of two or three individuals, because where there are 500 or 1000 associated partners, the evil would be much more extensive, inasmuch as the numbers are so much greater.

5293. Then the failure of one of those Joint Stock Companies might involve a greater number of individuals than the failure of a private Bank?—It certainly might, a much greater number; both the numerous partners and the customers and connexions of the Bank among the Public would be involved with such a failure.

5294. Taking a district of a certain extent, where there are now five Country Banks, if their place were supplied by one great Joint Stock Bank, is it your opinion that both the risk of failure would be increased and the loss to the Public would be increased in the event of that failure?—I do not know whether the risk of failure and of ultimate payment would be greatly increased, because Joint Stock Banks have generally associated with them individuals of large property, whose property may be made, after a long legal process, available for the debts of the Bank; but the community I think would be in a state of great inconvenience and embarrassment, from the want of the same accommodation that the private Banks afford, and which one would extend after its rival had failed.

5295. Are not the chances almost infinite against all the five Banks failing?—Yes, I do not know an instance of five insolvent Banks at any time in any one district.

5296. Should you expect that during the time of speculation, one great object of speculation would be the shares of Joint Stock Banks, if they were largely established in the country?—Undoubtedly, a favourite object; it is always found to be such.

5297. Would the system of establishing Joint Stock Banks lending the deposits to those that took shares, be greatly favourable to a speculation in the shares of such Banks?—Undoubtedly. Not confining my answer to speculation in shares, but to speculation generally, I know an instance of a Joint Stock Bank that had a larger paid-up capital than they could use, and they lent a sum, on application from a corn merchant, of 10,000*l.* for the purpose of speculation; he said, This is a favourable opportunity to buy corn, I will go down to Hull and buy corn, if you will lend me 10,000*l.* He was a person that had failed before.

5298. Would a prudent private Banker in that case have lent the 10,000*l.*?—I do not think there is at this day any private Banker that would have done so.

5299. Do you think the experience we have hitherto had of Joint Stock Banks is not sufficient to form a calculation of the risks and dangers to which they are exposed?—Yes, I think we have sufficient proof of the danger of the system; I have alluded to another instance of gross imprudence besides that above referred to, where the amount of bad debts quadrupled, or nearly quadrupled the amount of the capital paid up.

5300. Do you think it is the duty of a Country Banker, with a view even to his own security, in making an advance, if he be satisfied with the nature of the security itself, to inquire into the transaction for which the advance is to be employed?—I think if a large and an unusual sum be applied for to a Country Banker, a prudent man would require to know the object of so large a demand being made upon him.

5301. Do you consider that in the management of Country Banks, it is a mixed consideration of the character of the party and the nature of the transaction in which the money advanced is to be employed, which constitutes one of the principal rules of their guidance in making advances?—Yes, I think in that consists a great part of the superiority of a private Banker over a Joint Stock Company.

5302. In case of the Bank of England lending 150,000*l.* to one of the Joint Stock Banks, does the Bank of England require that the Joint Stock Bank should not lend money to the proprietors upon the security of their shares?—I am not

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aware that it does. I believe it is the practice of the Bank to lend money upon the shares to proprietors.

5303. Did not the Bank of England, in the case that has been quoted, require that they should have bills of exchange of undoubted security?—The bills may be finally of undoubted security; but I know an instance where the Bank of England has held dishonoured paper over, because the Joint Stock Bank did not find it convenient to take up that dishonoured paper.

5304. Do you actually know that yourself?—When I say I know it, I must correct myself; I have not seen the transaction myself; I will state what I heard from a Banker of respectability: A man of considerable substance, in a large town where a Branch of the Bank of England and a Joint Stock Bank were carrying on business, sent in some bills for discount to the Branch Bank of England; amongst the rest there were acceptances of an individual living 40 miles from the place, and those acceptances were rejected by the Manager of the Branch Bank of England, to the great surprise of the applicant for the discount; he went consequently to the Manager, and said, “Why have you sent back these bills?” the Manager said, “Because it is the rule of the Bank never to discount the bills of an acceptor who permits his acceptances to lie over unpaid;” the other said, “Surely the indorsement would be enough for you;” but the answer to that remark was, “We are perfectly satisfied of your own responsibility, but we cannot violate the rule; we hold two acceptances of this house unpaid.” The applicant for discount knowing the circumstances of the acceptor of the bills, then replied, “That cannot be correct, because I know that this house has but two acceptances lying over unpaid, and they are held pursuant to agreement by the Joint Stock Bank in this town; and therefore you cannot hold their bills;” the Manager answered, “We have taken those same bills ourselves from the Joint Stock Bank on discount.” “Why does not the Joint Stock Bank take them up?” was then asked; the answer was, “Because it is not convenient to them to do so.”

5305. Was that Joint Stock Bank largely under discount with the Bank of England at that time?—I believe very largely.

5306. Do you know what the amount of those unpaid acceptances was?—One thousand pounds.

5307. In consequence of the losses which any of those Joint Stock Banks have suffered, have any of them been broken up?—None in England, that I am aware of; in America, a great number.

5308. Might not a Joint Stock Company carry on business for a long time after they really and truly are insolvent?—A very long time.

5309. Might not a private Banker also?—Certainly, but not with the same facility.

5310. Were you rightly understood to say that you knew of a Bank which had incurred debts to three or four times the amount of its paid-up capital?—I had that information from Bankers in the vicinity, carrying on Banks in opposition to that Joint Stock Bank, and a considerable amount of that loss was from an agent whom they trusted to distribute their funds at a distance from the mother Bank.

5311. Do you know what dividend that Bank paid to its proprietors?—I do not know the amount of the dividend, but I know that the shares were at a considerable premium after a great portion of those bad debts had been incurred. The amount of those bad debts was so large, that successful trading could never have brought it back again in ten years.

5312. Should you be able to substantiate what you have stated respecting this Bank, in evidence?—I think if I were allowed an opportunity of examining upon the spot, I should.

5313. In what way?—By the testimony of Bankers carrying on business in the same district.

5314. You have stated that the Joint Stock Banks, if they were to pay up their capital, would find it difficult to employ the funds of the Bank upon good security; supposing the affairs of such Bank to be conducted with prudence, and on good principles, would it not be consistent with good management that they should not require that capital to be paid up which they find it difficult to employ upon good security?—Yes, it would, taking the whole question of prudent and good management into view. One of the consequences of the opposite mode of acting, namely, a high paid-up capital, was an imprudent loan for a speculation in corn, which I have before referred to.

5315. Do

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5315. Do you think that as the law now stands, it is any evidence of imprudence upon the part of the Directors of any of those Joint Stock Banks, to place themselves in the responsible position of being Directors of such establishments, without being secured by a large paid-up capital?—I should think it is an evidence of imprudence, and I know an instance tending to establish this; it happened to my own Brother, who was intended to be the treasurer for a Board of Directors, and when he was made acquainted with the disasters that accompanied the breaking up of the Saint Patrick's Insurance Company in Ireland, he said "I will have nothing to do with this Joint Stock Bank," and he struck his name out immediately; other subscribers immediately followed his example.

5316. Are you acquainted with the circumstances that attended the breaking up of the Saint Patrick's Company?—Not from personal intercourse with any of the parties. The Saint Patrick's Assurance Company was a very extended copartnership in Ireland, for insuring vessels, and for carrying on all the operations of underwriters; they had agents in all parts of England and Scotland, to whom they intrusted the duty of insuring vessels, and I think also insuring against fire; the consequence of trusting the disposal of their funds to distant agents was, that those agents, for the sake of getting the per centage brokerage on the amount received by them, took imprudent risks, and ruined the Company; the Company was consequently broken up, and those individuals who had property, and were partners in it, were obliged to pay; but a great number of persons, I understand, sold their property for fear of the consequences, and departed to America to avoid actions that were about to be brought against them for the debts of the Company, and never came back.

5317. Are you aware that the creditors in England were unable to sue the proprietors in the English courts, and were only able to sue them in the Irish courts; and yet in spite of those difficulties, that Company paid all its debts in full to the English creditors?—No, I was not aware of that.

5318. In case of the failure of a Joint Stock Bank, would not the first parties to whom the creditors would have recourse be the Directors?—If the Directors were men of property.

5319. Would a Director act imprudently who put himself in the situation of being responsible to be sued for a very large debt, without calling up sufficient capital from the proprietors to protect him against reasonable risk?—Certainly.

5320. Is it your opinion that when a Joint Stock Bank is proposed to be formed, the Government should have the power of requiring a certain amount of funds to be paid up, and also of deciding upon the expediency of having an establishment of that description in a particular district, for which application is made for its establishment?—I think that the operations of a Bank are of so very delicate and important a nature, and those of Joint Stock Banks may be on so large a scale, that the Government should see that a sufficient capital is paid up for the security of the country where the Bank is carried on.

5321. Your evidence has hitherto applied to Joint Stock Banks with partners, subject to unlimited responsibility; would the evils you apprehend to be caused by the existence of Joint Stocks be in your opinion mitigated or aggravated by Charters of incorporation limiting the responsibility?—If the whole capital were paid up, the evils would be much mitigated.

5322. You have stated many reasons why you are of opinion that Joint Stock Banks could not be substituted as Banks of issue for Country Bankers with advantage to the Public; what is your opinion of an arrangement under which the Bank of England should become the sole Bank of issue throughout the kingdom, and by its Branches take up all the business as relates to issue?—It would have pretty much the same effect upon a great scale as taking the silver from the general circulation of the country, and leaving only the gold; all the minor channels of circulation would be impoverished by it, and great difficulty in performing the small transactions of business in remote districts would be encountered.

5323. What would be your opinion of Branch Banks of issue, in connexion with the Bank of England, being conducted by local managers, who should exercise a discretion as to the character and circumstances of the parties to whom the issues were made?—It is at present quite foreign to the rules of the Bank of England that the manager should exercise such discretion, for I knew an instance where a Bank was induced to become a customer to the Branch Bank of England on the condition that a large sum should be advanced on discount to this Bank; and in consequence of that arrangement, a sum as high as 270,000 *l.* had been advanced

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on discount at one time, but subsequently, when the discount was reduced to about 30,000*l.* application was made for fresh discount, and the manager refused. It was pressed hard, and was again refused. The applicant still said, "I have relied upon the engagement subsisting between us, will you not advance me a sum upon these bills till I have time to go to London to bring down my funds;" the answer was, "No, my orders are peremptory, I cannot do it;" and he asked for a loan only from Friday till the following Wednesday.

5324. Is that the case of Manchester?—That is one case of a Manchester Bank which did not issue notes. Another case was mentioned to me, of a Joint Stock Bank in Manchester which began business two or three years ago; they issued notes, and they were recommended to relinquish their issue of notes, on condition of having a certain amount discounted at all times by the Branch Bank of England. The manager said to the Directors, "I do not advise this; you will find they will break faith with you when they are hard pressed in London; they will not discount to the amount of your own issues." However, the Directors overruled him, and this manager informed me that the Bank of England had broken faith with them. Those circumstances were communicated to me by the Managers of the two Banks.

5325. Was not the question between the Joint Stock Banking Companies and the Branch Bank of England, as to the rate of discount; and was not the refusal upon the part of the manager of the Branch Bank to continue so heavy a rate of discount as three per cent?—I understand not.

5326. Are you aware that an application was made on behalf of the Joint Stock Banks at Manchester to the Bank of England, with a view of improving the circulation by the substitution of Bank of England notes for the small bills of exchange in circulation there, and that the Branch Bank of England was induced to allow those Joint Stock Banking Companies to have a certain amount at three per cent for discount instead of four, but that the operation appearing to the Bank not to answer the purpose intended, the Bank of England refused to continue the discount at three per cent, but required to have four per cent, which is the usual rate which they charge to all but customers that do not issue paper?—The circumstances that I have mentioned were related to me without communicating the facts now referred to.

5327. How do you reconcile your answer, in which you object to the Bank of England being the sole Bank of issue, with the fact, that in Lancashire, the great seat of the cotton manufacture, few if any other notes circulate but those of the Bank of England?—There is a great mistake prevailing respecting the circulation of bills and of notes in Lancashire. Up to 1825, there was a very large circulation of small notes in that county; I know one Banker, carrying on business at Blackburn and at Manchester, that had a circulation of 1*l.* notes exceeding 140,000*l.* in 1825.

5328. Throughout Lancashire, has not there a system prevailed, and still exists, of drawing small bills of exchange in the nature of accommodation bills, which performed the great functions of a circulating medium there?—Yes; but in consequence of the high rate of the stamps upon small bills, the number of small bills circulating has greatly diminished. I heard Mr. Lloyd say that when he first became a Banker at Manchester there was a large circulation of small bills of exchange, from 5*l.* to 10*l.* each, which were found to be extremely useful and convenient, but the high price of the stamp has driven a great portion of that sort of circulation out of existence.

5329. Do you not entertain an opinion with respect to bills of exchange generally, that they do form a part of the circulating medium of the country?—Bills of exchange form at present the great currency of Lancashire, and they formed almost the exclusive currency, with the exception of the small notes paid for wages, till within these last seven years.

5330. Is not that a very sensitive part of the currency, with reference to the effect produced upon it by the Bank of England issues?—Certainly, it is very greatly affected by the issues of the Bank of England; if the Bank of England extends or contracts its issues, those bills of exchange will be extended or contracted.

5331. Do those bills form a part of the circulation of Yorkshire as well as Lancashire?—A very great part, I should think nine parts out of ten of the business of the West Riding of Yorkshire are represented by those bills.

5332. And of Warwickshire and of Staffordshire?—Yes, and of Warwickshire.

5333. And

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5333. And in general the manufacturing districts of England?—A very great part.

5334. Is it the result of your experience, that upon a contraction of the issues of the Bank taking place, the amount of the bills of exchange is also narrowed, and is it in the exact ratio, or in a very increased ratio?—It is in a very increased ratio. When I was summoned some years ago to give evidence before the House of Lords on this subject, I wrote to a Banker in Lancashire to know the amount of bills paid into his Bank, as compared with that of all other kinds of currency, and he answered, “The amount of bills is as fifty to one.”

5335. If therefore you are well founded in your opinion, that they are a part of the currency depending mainly upon the circulation of the Bank of England, does it not follow that a contraction of the Bank of England issues forms a very uncertain measure of the extent of the contraction of the whole circulation throughout England?—Certainly. In May last, when there was a large demand for sovereigns upon the Bank of England, and a general Panic existed in London in consequence of political changes in progress, I knew a person make application to a northern Bank for a sum of money for his periodical journey, who was of sufficient credit to have in ordinary times four times the amount that he applied for out of the Bank; he went to the Bank, and asked for bills of exchange, with a view to come into the south of England to purchase wool for his manufactory; the Banker said, You see the state of London, you are acquainted with the run upon the Bank of England, you must be content with a fourth part of this amount, we do not know what is coming, and it behoves Bankers to take care of themselves, and to be prepared for any emergency. The man who made that application was a man that would have been supplied with double or quadruple the amount in ordinary times.

5336. If you consider bills of exchange to be the circulating medium, does not a great and sudden diminution of their amount operate materially upon prices, and produce all the distress usually attendant on sudden contractions of the currency?—Yes, in a much greater degree than is measured by the mere issues of the Bank of England.

5337. If that be your view of the case, does not it render it very difficult on the part of the Directors of the Bank of England, when, for the protection of themselves, they decide upon the contraction of their circulating medium, to foresee the extent of their contraction as operating upon the general commercial interests of the country?—They cannot foresee it, they can make nothing but the vaguest guess at the effects that may result from any contraction they may resolve upon.

5338. May not a contraction on the part of the Bank to a limited extent, for their own protection, by operating on bills of exchange, produce a great contraction, to a much greater extent than they contemplated, and produce effects which they never foresaw?—To a very great extent, both by its influence upon circulating bills of exchange, and upon credit generally.

5339. So long as notes payable on demand or bills of exchange are payable in any standard of value at all, must there not be those expansions and contractions in order to keep the currency at par with the standard in which bills are payable?—That need not be, if the paper currency were well regulated.

5340. What is the nature of the regulation you would adopt, which should altogether prevent those fluctuations?—I think that with so large an amount of debt in the country, public and private, the Government should issue upon its responsibility a certain portion of circulating medium, which should not be convertible into cash.

5341. Do you apprehend that if there were any other description of currency convertible at option into cash, there would not be periods in which this inconvertible currency would fall to a discount?—It might temporarily; and with the liability to demand payment in gold, the probability of its falling to a discount would be greatly increased; I do not think, if the standard and legal tender were in silver, the inconvertible paper falling to a discount would be frequently experienced.

5342. In the case of exchequer bills; which have this advantage, that they can be received by the Government in payment for revenue, and also carry interest, are there not periods when they even fall to a discount?—Yes, there has been a period when they fell to a discount, and were paid in for taxes.

5343. Would not the paper you propose be subject, beyond the other currency of the country, to this additional fluctuation, that it might fall to a discount below

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the other currency?—I have before stated that it might occasionally. I think that the periods when it would fall below the value of the other currency would be unfrequent, and it would altogether depend upon the amount of the sum issued by the Government, which was inconvertible. So long as that portion that the Government issued was payable for dividends and receivable for taxes, and limited in its amount, I think it would be a much more efficient mode of regulating the currency than is now in existence.

5344. Would not the only distinction between this description of currency and other currency in the country be, that it might occasionally fall to a discount, from its non-convertibility, below the other currency of the country; and would it not rise and fall as compared with commodities, together with the other currency of the country?—Yes, so long as there is a circulating paper currency in the country.

5345. Do you contemplate that this should form the sole currency, or that it should only form a part of it?—Only a part of the currency.

5346. Would not the other currency of the country, convertible into specie, be liable sometimes to fluctuation both in amount and in value, compared with commodities?—Yes, all other species of currency would be liable to fluctuation, undoubtedly; I am contemplating that this, which the Government issued, should be a fixed amount.

5347. If it were fixed in amount, and were to a less extent than the whole of the present currency of the country, what more would it do than supplant a portion of the present currency of the country?—It would effect this, namely, in times of panic, when there is a disposition to hoard, or in times when the Exchanges require an export of the precious metals, you would, to the extent of the amount created by Government, always have a currency available for the purposes of circulation among the Public.

5348. Are not those the precise periods when a portion of the currency that was inconvertible would fall to a discount?—Undoubtedly at the time of hoarding and export, if the demand for the precious metals were of long duration.

5349. If there were no paper currency, merely a metallic currency, would it not both in quantity and in value, as compared with commodities, be subject to great fluctuations?—Unquestionably it would.

5350. If there were a currency partly metallic and partly paper, would it not be subject to like fluctuations?—Yes, but I think a great part of the evil arises from having so very small a portion of metallic currency circulating, compared with the amount of paper currency and obligations; by obligations I mean, not paper currency, but the debts of the Government and of public bodies. I think that having so great a paper currency resting upon so narrow a basis of metallic currency is a condition of great peril, especially in times of agitation.

5351. What do you mean by a great portion of the paper currency resting upon a narrow basis of metallic currency?—I mean that if you have a metallic currency to the amount of 30,000,000*l.* in the country, and have paper circulating to the amount (comprising all sorts of paper) of 200,000,000*l.* I call that a very narrow basis, and one which renders the circulating medium of the country in an exceedingly dangerous state in times of alarm.

5352. Would it not happen that at those periods of alarm, either political or commercial, all the convertible paper will be presented to the same extent as at present for payment in specie, and that which was not convertible at the time would fall to a discount?—It is difficult to say whether it would fall to a discount, it depends upon the quantity; I think, being issued by the Government, the times when it would fall to a discount would be exceedingly rare.

5353. Have not exchequer bills fallen to a discount?—Once, but not more than once; I am not aware that they have more than once been paid in for the public taxes, which is what I understood you to mean.

5354. Then must not that have been owing to the very short period at which they were at a discount?—Certainly.

5355. Is there any merchant, or payer of taxes, who, if exchequer bills fell to a discount, would not make the payment in exchequer bills?—Certainly, they would be resorted to for paying taxes, when at a discount.

5356. In the event of the Bank of England having its treasure reduced very low, would it not save that difficulty by Government paper money to a limited extent being given to the Bank of England to issue in place of gold, that paper being made by law a legal tender?—Undoubtedly it would.

5357. To what extent would you think it safe for the Government to constitute such

such a paper currency for such a purpose?—That is a very difficult question to answer, and I think it cannot be answered without a great deal of previous investigation; it should always bear however, I think, a proportion relatively to the amount of dividends payable annually, and to the amount of the public taxes.

5358. Do you think that a sum of 5,000,000 *l.* so constituted by the Government, and given to the Bank for that purpose, would answer any probable press and demand that, from experience, has been found to press upon the Bank inconveniently?—Giving my answer from analogy, I think that five millions would not be found to be sufficient to stand the pressure of a Panic, because during the Panic of 1825 the Bank increased its issues 7,000,000 *l.* and that left the circulating medium of the country in a very unreplenished state.

5359. Do you apprehend that there would be any difficulty on the part of the Bank of England in withdrawing by degrees from the general circulation the money so circulated by them?—There would be no difficulty in withdrawing this inconvertible paper, when confidence was restored, if it were only issued for a temporary purpose to aid the Bank in its operations.

5360. Do you see any objection or difficulty in obtaining such a result, in periods when the Bank of England might be under difficulty from Panic arising from commercial or from political causes?—No, it would be a mode of giving power to the Bank of England to sustain its payment in times of pressure, as it was found by the Country Bankers to be a mode of effecting their payments during the Panic of 1825. The Bank ceased at that period to issue gold to the Country Bankers, and the small notes were called out again and sent into the country districts to pay the engagements of the private Bankers. The cases I think are parallel, because the Bank of England requested on that occasion the Bankers to take paper instead of gold; the request was complied with, yet there was no difficulty in withdrawing the paper subsequently.

5361. Do you think that paper issued for such a purpose, and for a limited amount, would fall to a discount, or that it would not be as current as the notes of the Bank of England themselves?—It would not fall to a discount if it were to a limited and reasonable amount, and it would be held in as high an estimation as the notes of the Bank of England.

5362. Would not that depend upon the pressure on the Bank at the time, being either from a falling of the exchange, and a consequent demand for the export of gold, or its being partly owing to the discredit of Banks in the country, or from there being a political Panic at the time?—It would depend upon the duration of the Panic, and the degree of pressure, whether it fell to a discount or not; if the pressure were continued for a very long period, it might fall to a discount.

5363. If the pressure of the Bank was in consequence of a fall of Exchanges and a demand for gold for export, would not the immediate and necessary effect of enabling the Bank to pay in an inconvertible currency be to reduce the currency to a discount?—It might or might not, but I think it would not for a very considerable space of time.

5364. Putting the question of a Panic out of view, and supposing the issue of inconvertible paper well secured were limited to 10,000,000 *l.* as long as the other paper money of the country was payable in gold on demand, can you conceive any circumstances that would reduce any part of that 10,000,000 *l.* to a discount?—I cannot, because I think a great portion of those 10,000,000 *l.* would be held by Bankers as their rests, they would probably be locked up in various Banks in the country; I know that no inconsiderable proportion of the notes taken out by the private Bankers at the Panic of 1825, remain still in the masses in which they were taken out by the private Bankers; they were not wanted; and I believe that a similar result would be found from the issue of inconvertible paper by the Government, if in exchequer bills to an amount not exceeding 10,000,000 *l.*

5365. In point of principle, how does the security of such paper differ from inconvertible paper bearing the name of the Bank of England, the Government holding fourteen and a half millions of the Bank money as security for the ultimate payment?—I am not aware that it does differ in principle at all.

5366. Then is it not equivalent to a temporary suspension of cash payments?—Yes, to that extent.

5367. The questions have proceeded upon a supposition that the amount should be limited; are you not of opinion that in a moment of pressure, when the paper is to be brought into use, a call on the Government on the part of the Bank, and the appeal on behalf of the country, about to be ruined by an alarm of a stoppage,

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would be irresistible for an enlargement beyond that limit?—I have no doubt it would go to an extent beyond that limit, and I ground that upon the proceedings in the Panic of 1825; I remember that, notwithstanding the efforts of the Bank to relieve the country, there was a meeting at the Mansion House, at which Mr. Baring, or some person, proposed that bills due should not be paid in Bank of England notes or gold, but by other good bills not due.

5368. In the Bullion Report of 1810, there is the following proposition, “a distinction most important to be kept in view between that demand upon the Bank for gold for the supply of the domestic channels of circulation, sometimes a very great and sudden one, which is occasioned by a temporary failure of confidence, and that drain upon the Bank for gold which grows out of an unfavourable state of the Foreign Exchanges; the former, while the Bank maintains its high credit, seems likely to be best relieved by a judicious increase of accommodation to the country.” Does that appear to you a judicious statement of the prudent management of the Bank?—Undoubtedly, that is my opinion.

5369. Do you recollect whether any of the panics or pressures for money have arisen out of the state of the Foreign Exchanges, or whether they have not arisen from the derangements of the internal currency of the country?—They have arisen out of the state of Foreign Exchanges, and the drain of gold generally.

5370. Do you remember 1797?—I do not recollect 1797.

5371. Do you mean to state that in 1825, or in May last, those Panics arose from the state of the Foreign Exchanges?—They were mainly produced by the contraction of the Bank of England consequent upon a drain for gold for export; particularly in 1825.

5372. Was not the state of the Foreign Exchanges in our favour at both those periods referred to?—They might be at the particular period; for example, in the month of December 1825, and in May last, but they were not during the earlier part of the year 1825, nor in the year 1831, when a contraction was going on. The effect of the contraction may not show itself immediately in producing a commercial convulsion.

Martis, 31^o die Julii, 1832.

THE RIGHT HON. LORD VISCOUNT ALTHORP, IN THE CHAIR.

Thomas Tooke, Esq. called in; and further Examined.

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5373. ARE there any points in your former evidence which, on reading over, you find you wish to correct or qualify?—There is one question, towards the concluding part of my last day's examination, which contains an incorrect quotation of what was stated to have been my evidence before the Lords' Committee in March 1819; the question is as follows: “You stated, on the 19th of March 1819, to the Lords' Committee, that a reduction of the notes of the Bank took place with reference to cash payments, and that a certain depression of prices had been the consequence; supposing that to be rightly quoted from your evidence, is that opinion what you would now consider to be correct?” At the time the question was asked, I had no distinct recollection of having stated what is quoted, and I simply answered that I did not see what my evidence in 1819 had to do with the prices of 1822. It seemed afterwards that it was with a view to connect them, that the question had been asked; but upon reference to the printed Report of my Evidence before the Lords' Committee in 1819, I do not find that I made use of the expressions here quoted as having been given in my evidence. I never stated that the reduction of the notes of the Bank took place with reference to cash payments; in fact, I have denied that any reduction, at that time, of the notes of the Bank of England had taken place with reference to cash payments. And though I stated that there had been a depression of prices, I certainly did not state, nor do I admit, that it was in consequence of a reduction of the issues.

5374. You were asked on a former day, “With respect to the opinion that was formed in 1819, that the reduction of Bank notes that was then necessary to restore the Exchange was to be measured by the difference between the market and the Mint price of gold, and that to restore those Exchanges and establish cash pay-
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"ments would require no more fall of prices generally than was marked by that difference, which was from three to five per cent at that time; do you think that that was an estimate that could have been safely relied on at that time." To that you answered, "I do not understand that that was an opinion ever delivered by any authority." Do you wish to qualify that in any way?—Yes, I do; for I had totally misunderstood the terms of the question, otherwise my answer would have been essentially different. Instead of saying that it was an opinion delivered by no authority, I should have said that it was delivered by a very high authority, that of Mr. Ricardo. In that opinion I concurred with him at the time; and after all the experience derived in the long interval which has since elapsed, I am quite satisfied of its correctness. Mr. Ricardo, in delivering that opinion, had simply in view the restoration of the Exchanges and of the par of the market price and the Mint price of gold; and in point of fact the restoration was effected without any reduction of issues. According to his plan of conducting the circulation upon the footing of bullion payments, with a large proportion of paper, the restoration of the Exchanges and of the price of gold to par was all that would be requisite for the resumption of cash payments. He considered that the Bank Directors might so regulate their issues as to keep in circulation a large proportion of paper upon a very small reserve of bullion in their coffers. In this part of his views I did not concur. Mr. Ricardo, in subsequent discussions on the subject in Parliament, stated distinctly, that in as far as it might be deemed necessary to make a considerable provision of gold, with a view to cash payments, the value of gold might be increased by the purchases made for that purpose; and he did not attempt to assign any precise limit to the probable increase in the value of gold from that cause; at the same time he considered that the fall in the price of silver might be taken as an approximation of the degree in which gold had been affected by those purchases; and as silver had then fallen about five per cent, this, added to the previous difference of about five per cent between the market and the Mint price of gold, led him to estimate the increased value of the currency, in consequence of the resumption of cash payments, at about 10 per cent.

5375. What is your opinion of the plan of making Country Bank notes payable, not in specie, but in Bank of England notes?—I am of opinion that the measure would be attended with some convenience; and I am not quite sure that there is any objection of sufficient weight to set against the consideration of the convenience arising from such a measure.

5376. Must it not lead to making Bank of England notes generally a legal tender throughout the country?—If the issues of the Bank of England were under proper regulation, and subject to the constant check of publicity, I am not aware that that of itself would be an objection.

5377. Would not it be a necessary consequence of allowing Country Bankers to pay their notes in Bank of England paper, that the Bank of England paper must be made a legal tender generally?—It must be made a legal tender to that extent, but not a legal tender on the part of the Bank.

5378. But on the part of every other person in the country, except the Bank; supposing a man, having notes of a Country Bank sufficient to pay his debts, owed money to a creditor, if he could only procure Bank of England notes in return for the Country Bank notes, might he not be put in the greatest difficulty unless he might pay his creditor in Bank of England notes?—I am inclined to think that it would be requisite to accompany the measure with the provision of making them a legal tender under particular circumstances. I am not, however, quite prepared to enter into a consideration of the peculiar circumstances that might render it expedient to make Bank of England notes a legal tender.

5379. Would it not lead to an extreme reduction of the quantity of gold specie circulating in the country, the Country Banker not being compelled to pay any of his notes out in specie on demand?—It would make less fluctuation in the quantity of gold to be held in reserve in the country for the purpose of meeting demands in exchange for local notes; but it would still require the Bank of England to keep a proportionately large reserve, in order to meet that part of the demand from the country which could be satisfied only by coming direct upon the Bank.

5380. Generally, how could persons in the country procure gold for payments under 5*l.* not being able to demand of the Country Bankers any quantity but a quantity under 5*l.*?—They might still have the resource that the Country Bankers have, of getting it from London.

5381. Then individuals can only obtain it by applying to London for it?—It would

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would transfer the demand from Country Bankers, who occasionally require large sums to be transmitted (which I think a great inconvenience) by public conveyances, as a reserve against the contingency of a run to those who literally wanted the gold, whether for purposes of hoarding or for some object of immediate use.

5382. Would it not be proper, if such were the case, that the Branch Banks in England should exchange all Bank of England notes, whether they were Branch Banks or not, for specie, on presentation?—Yes, that would be a very desirable provision.

5383. Increased facility, in your opinion, ought to be given for exchanging Bank of England notes for specie at the Branch Banks, and it might be necessary to multiply the Branch Banks throughout the country?—Yes, I think that might be necessary.

5384. If that were not the case, do you not think that in case of alarm the Bank of England paper in the country might fall to a discount?—No, I do not, because, if payable in London, the mere expense of transmission would hardly be a sufficient object in a general way to constitute a discount; at the same time I am ready to admit that if such a measure as making Bank of England notes a tender in payment of Country Bank notes, were adopted, it should be accompanied with the establishment of Branch Banks of the Bank of England for the purpose of a more ready exchange.

5385. If that were not the case, do not you think that in times of panic ignorant people would be disposed to part with their notes to the holders of gold, at a discount?—It might happen, but it could be only to a very trifling extent; I should doubt whether practically it would occur. Still I am quite ready to admit that there should be within convenient distances a resort to the means of exchanging the notes, whether Bank of England notes or Country notes, for gold; I think that it would not be desirable that the holders of Bank of England notes, taken in exchange compulsorily for local country notes, should be obliged to come to London, as the condition of their getting such notes changed for coin.

5386. Does not what now takes place in Lancashire afford a strong presumption that there would be no difficulty in the Bank of England circulation becoming general in the country, supposing that the Bank of England circulation was only exchangeable for gold in London?—Yes; and I think that the inconvenience and the liability to an expense of transmission under the circumstances stated in a former question, would hardly therefore amount practically to any thing in the shape of a discount.

5387. Is not the circumstance of there being a large Bank of England circulation in Lancashire, which was not exchangeable into gold, except in London, previous to the establishment of the Branch Banks, and there having been no discount whatever upon such paper there, a strong presumption that were the circulation of the country to consist of Bank of England paper, or of Country Bank notes exchangeable against Bank of England paper which could only be exchanged for gold in London, there would be no discount on such paper?—I think it affords a strong presumption; and the leaning of my own opinion is, that it is hardly conceivable that there should be such a degree of panic or such an emergency as to create a discount upon paper that was strictly exchangeable in London but not elsewhere. Still I have no question of the preferableness of having the notes exchangeable in a more immediate neighbourhood, by the establishment of Branch Banks for that express purpose.

5388. Then, upon the whole, you would consider the advantage derivable from Bank of England paper being a legal tender in exchange for Country Bank notes, which would prevent an undue demand for gold upon the Bank of England for the supply of the Country Banks, greater than any disadvantage which can arise from any supposed discount to which Bank of England notes might be exposed under those circumstances?—Upon the whole, that is my opinion.

5389. But you still would think it proper to take every precaution against their falling to a discount, by multiplying the places in the country where Bank of England paper could be exchanged for specie?—Undoubtedly.

5390. What is your opinion of the policy of returning to a currency of notes under 5*l.*?—I do not see any reason which did not exist in 1826, for continuing the circulation of 1*l.* notes, that can now be stated as justifying the returning to them.

5391. What are the disadvantages which, in your opinion, would attend a currency of notes under 5*l.*?—It would certainly endanger, upon the occurrence of
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a panic, the convertibility in a greater degree than would be the case in a circulation where there was a large proportion of coin; and a small note circulation has the further disadvantage of being that part of the currency which is most apt to expand under circumstances favourable to an extension of credit and to a rise of prices, and to contract under the opposite circumstances, and consequently to entail a greater fluctuation both of credit and prices.

5392. The intensity of a run, in case of a panic of any kind, you think would be very much increased by a small note circulation?—Of that I think there can be no doubt; for instance, upon such an occasion as last Spring, when there was a great deal of political excitement, the demand for gold would have operated with much more rapidity and violence than it actually did, if the small note circulation had been continued.

5393. In a petition from Manchester, presented in the year 1826, to the House of Commons, it is stated as a reason for having a large proportion of specie in the currency of the country, that in times of bad harvest it forms a reserved fund with which to pay for the import of corn at such periods; do you not think that that is a valid reason for giving preference to a metallic over a small note circulation?—It is one among other reasons.

5394. And you think a valid reason?—It is valid to a certain extent; for there can be no question that in proportion as the quantity of metals circulating throughout the country is greater in proportion to the paper, in so far will any drain for any purpose be better and for a greater length of time supported.

5395. Do you apprehend that the circulation of the country being in sovereigns gives any facility to the Banks to pay their liabilities in gold?—Yes; I should say that the larger the circulation of sovereigns, the greater would be the facility of the Country Bankers to pay in gold.

5396. Are you aware in what way it is, that when a Country Banker apprehends that a run is likely to come upon him, he provides himself with gold at the present time?—By application, through his correspondent in London, to the Bank of England.

5397. Does not he, then, depend entirely for his supply of gold from the Metropolis, and not upon the gold circulating around him?—Yes. But the view I had was quite different, as to the effect upon the Country Banker; the danger I apprehend to the Country Banker, is from 1*l.* notes coming upon him for gold.

5398. In case of a drain for gold abroad, is it not taken directly from the Bank of England, and not taken from the circulation?—It is taken chiefly from the Bank of England; but I should take for granted, that in consequence of the demand for it, some would find its way from various channels of circulation, to supply the drain that would take place upon the Bank of England.

5399. In a circulation consisting partly of paper and partly of gold, does not the contraction which takes place by an export of gold, act upon the paper part of the circulation more than it does upon the metallic part of the circulation?—It would act more upon the paper, but it would have some operation upon the metallic part; and it is only therefore to a limited extent that I consider that as one of the advantages of a large metallic proportion in the circulation.

5400. Is it not in so limited an extent that it is hardly worth consideration?—I am not prepared to admit that, I think it would operate to some extent worth mentioning.

5401. If the demand acted upon the paper circulation of the country, in what way would the Bankers be enabled, in consequence of there being a large metallic circulation, to obtain a greater amount of bullion for the discharge of their notes?—I am not prepared to go through a detail of the exact process, but upon general grounds it appears to me hardly conceivable but that a larger metallic circulation would enable the Bankers to obtain a greater amount of bullion for the discharge of their notes.

5402. Does not the only security which a Bank of issue has for the payment of its notes in gold consist, in London, in the store of bullion that it has in its coffers, or which it can draw from abroad; and in the country, of the store of bullion which such Bank has in its coffers, or which it can draw from London?—Those are the only immediate resources, no doubt.

5403. Has it any means by which it can abstract bullion from the circulation in the country, on an emergency?—I am not aware that it can by any direct effort produce that effect; but I should think there would be a tendency of a part of the metallic circulation to flow into the coffers of the Banks, in the event of such an

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emergency as is supposed, unless counteracted by a disposition on the part of the Public to hoard. I am supposing, however, that the question refers only to a state in which the drain upon the coffers of the Bank arises from the necessity for sudden foreign payments.

5404. In the case supposed, of a necessity for sudden foreign payments, would not the course be that there would be a demand upon the Bank of issue in London for gold, and probably a demand in the country also upon the Banks for gold, and would not that gold be obtained by the presentation of notes of such Banks in the country and in London; and under those circumstances, can you conceive any means by which such Banks might attract gold from the circulation of the country; would not the operation which was going on, have just the contrary tendency, namely, to draw gold from those Banks, without affording them the means in any way of acquiring it back again from the circulation of the country itself?—I apprehend that the mode in which a demand for gold for export might operate in drawing it from the internal circulation, would be the diminished disposition that the Bankers would have to make advances to their customers.

5405. Would it be in their power, under those circumstances, to diminish their issues, inasmuch as gold would be demanded of them; and even if it were, would it be in their power to diminish their issues of bullion to such an extent as to counteract the drain for bullion which they might have upon them?—I think they might.

5406. Can you explain how that could be done?—Only by diminishing their liabilities.

5407. Would not they diminish their liabilities by the payment of their notes in gold, which would therefore diminish their stock of bullion?—Yes; but at the same time by diminishing their liabilities, they would suppress paper, and whatever came into them in payment, through many channels, would, in my opinion, necessarily consist in some part of coin, which in the case supposed might find its way to London, and eventually into the coffers of the Bank of England.

5408. Is not a large proportion of the issues of Country Bankers made in advances of loan; and in periods when they wish to contract their issues, may they not operate by calling in those loans, and not granting that accommodation which in ordinary times they would grant?—That is my opinion of the mode in which a drain upon London for gold for export would operate, in drawing some part of the circulation in coin from the country.

5409. Does not the very state of things supposed, indicate that paper would be at a certain discount as regards gold, and consequently that the payments into the Banks in the country would be made in their own notes, as long as there were any of their own notes to present to them, and not in gold; it being supposed that there would be a demand for gold, would not all the payments be made into those Banks in the paper of the Banks, rather than in gold itself?—If there were not a mixture of panic or internal excitement in the drain, if it were wholly confined to a drain arising from the state of the Exchanges, I do not see any reason why the payments into the Banks should be made exclusively or by preference in paper; I conceive that a great number of payments into the Banks would be made indiscriminately in gold as well as in paper, because, for the purposes of internal exchange, by the supposition they are equally valuable.

5410. When a Country Bank makes issues upon loans to its customers, do you apprehend that it has always its own notes out to the extent of those loans?—I should imagine that in a very large proportion of cases it has not; the Country Bank might merely give a credit to the borrower, against which he could pass his drafts.

5411. Accordingly when a Country Banker calls his loans in, you are not to expect that those loans will be repaid in the notes of the Bank that granted the loan, but either in specie, or in drafts upon other Banks?—Not altogether in his own notes; and I should add, that as in the case here supposed, the drain upon the Bank was for the mere purpose of foreign payment, a good deal of gold, which might otherwise have remained idle in the hands of individuals, not hoarded from motives of apprehension, but merely from carelessness, or from the little inducement that there might be to employ it, would, under the circumstances assumed in the question, be paid into the Country Banks in the shape of coin.

5412. Whether do you think it is most expedient that a Company like the Bank of England should have the issuing of a large portion of the currency of the country, or that that issue should be made by the Government itself?—On general principles,

principles, I should prefer an issue directly by the Government; but I have no conception of the possibility of providing such guards and checks as would prevent what we have invariably seen in the case of all Government paper money hitherto, that the issue should be made directly subservient to financial purposes, and consequently susceptible of definite depreciation.

5413. In that case, must not the Government which issued the paper undertake all the detail of that part of the Banking department which consists in providing specie for the payment of its paper when presented for payment?—Yes, it would have to undertake the whole machinery for that purpose, which is now managed by the Bank of England.

5414. Supposing a Company to undertake it, do you not think that the Government may fairly require from that Company a participation in the profits of that part of the Banking department which consists in the issue of paper currency?—Yes, I conceive that the Public would be entitled to participate in the benefit arising from the paper circulation issued through the medium of a company.

5415. Supposing the rule adopted hitherto by the Bank to have been, to aim at having one-third of its liabilities always in specie; if that proportion has not been found sufficient for the security of the Bank in times of Panic, do you not think that the Government might fairly require that it should aim at increasing that proportion, say to one-half, even although it should considerably reduce the profits of banking of that Company?—I do not think that it would be expedient for Government to interfere in determining the proportion of bullion that should be kept in reserve by the Bank against its liabilities; it would be sufficient, I should think, if by a regular publication of the state of its affairs it were under the constant check of public opinion. There might be circumstances in which the treasure might be reduced below the usual proportion, and upon some extraordinary emergencies considerably lower; but at the same time there might be, upon a full view of the state of its affairs, a most clear conviction in the public mind that the circumstances were of so temporary a nature that a reflux of the bullion would take place inevitably and speedily, and that consequently there was no ground for alarm.

5416. Can you state what you know of the practice of the American Banks, as to the publicity of their Accounts?—My principal knowledge of the practice of American Banks is derived from a publication on the Currency and Banking system of the United States, by Mr. Gallatin, who was formerly Minister from the United States to this country. As this work, by a person distinguished for extensive knowledge and statesman-like views, contains a vast deal of most valuable information, which may be made available to the purposes of the inquiry in progress by this Committee, I will, with the permission of the Committee, lay a Copy of it upon the table. At the same time I beg leave to quote from it the following passage, because it affords the sanction of so very high an authority for the opinion I have ventured to express in favour of the publication at stated periods by the Bank of England, or by any Public Company issuing paper money, of the exact state of their affairs. Speaking of Banking Establishments, Mr. Gallatin says, “A great guarantee against improper management, is the obligation to make and publish annual statements of the situation of the Banks. The mystery with which it was formerly thought necessary to conceal the operations of those institutions, has been one of the most prolific causes of erroneous opinions on that subject, and of mismanagement on their part. It is highly desirable that this measure should be adopted in the States where those Returns are not yet made obligatory. The annual Statements of the Bank of the United States, and of the Banks of all the New England States, of Pennsylvania, Virginia, Georgia, and others, to Congress, and to the States respectively, have in no instance injured any institution that was properly administered. Publicity is in most cases one of the best checks which can be devised, it inspires confidence and strengthens credit; whilst concealment begets distrust, and often engenders unjust suspicions.”

5417. Does that publication give an account of the Banks that failed?—Yes, it gives an account of the Banks that failed, but a fuller one of those that still subsist.

5418. Does it appear from that publication what restriction there is as to the Banks issuing their own notes?—Yes, in the following passage: “In the United States, all the Banks issue notes of five dollars. The States of Pennsylvania, Maryland, and Virginia, and perhaps some others, have forbidden the issue of notes of a lower denomination, to the great convenience of the community, and without experiencing any of the evils which had been predicted. We have seen in Pennsyl-

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“ vania the chasm occasioned by that suppression instantaneously filled by silver,
“ without the least diminution in the amount of currency. We cannot but earnestly
“ wish that the other States may adopt a similar measure, and put an end to the circu-
“ lation of the one, two, and three dollar notes, which is of no utility but to the
“ Banks. Those small notes are, as a currency, exclusively local, and a public nui-
“ sance; and, in case of the failure of any Bank, the loss arising from them falls
“ most heavily on the poorest class of the community.”

5419. Are any but chartered Banks allowed to issue their own notes?—I believe none but chartered Banks, with the exception of a single Bank by Mr. Girard, a person of very high character and wealth, who has recently died.

5420. Are they prevented by a law from issuing?—Yes, I understand they are prevented by law.

5421. Do you find any statement upon that subject in this publication?—Yes, there is a statement in it to the following effect: “ It is difficult to distinguish a
“ note on demand drawn by a private individual, from a Bank note, in countries
“ where every individual is left at liberty to throw such notes in circulation as
“ part of the currency. The discrimination has always been made on the Conti-
“ nent of Europe, where it is not believed that any paper of that description has
“ ever been permitted to be issued by any person or Company not specially autho-
“ rized to that effect. We are not aware that any similar general restriction exists
“ in Great Britain, or that others are to be found there, than the clause in favour
“ of the Bank of England, which forbids Banking Associations to consist of more
“ than a limited number of partners, and the late laws forbidding, except in Scotland,
“ the issue of notes under 5*l*. The same liberty seems to have originally existed
“ in the United States, but has subsequently been restrained by their several laws
“ to Incorporated Banks. A solitary exception is to be found in Mr. Stephen
“ Girard’s Bank, which was previously established, and which, from his great
“ wealth, skilful caution, and personal character, is justly entitled to as much credit
“ as any Chartered Bank in the United States; Congress has not, however, passed
“ any law preventing the issue of notes by the Corporation of the City of Wash-
“ ington; and there is still a small amount of paper in circulation issued by the
“ State of North Carolina. In every other respect, the currency of the United
“ States, so far as it consists of notes, is strictly confined to Bank notes issued by
“ Chartered Companies.”

5422. What do you think of a plan, in case of the treasure of the Bank being reduced very low, of allowing it to make payments in inconvertible Government paper?—I see no advantage in it. As long as the Bank has any treasure, it should go on paying; when it ceases to have any specie, a restriction, as on the former occasion, seems to be the simplest expedient.

5423. In what respect would such paper so issued be better or worse than some of the exchequer bills which the Bank at such periods has always held; and would not exchequer bills, as they bear interest, be rather more valuable than an inconvertible Government paper so issued?—I do not see in what form the Government could issue an inconvertible paper. It appears to me that it must carry upon the face of it a promise to pay; if it is a promise to pay on demand, it promises that which at the very moment of issue it is certain it cannot perform; if it is after date, it would be at a discount, I have no doubt.

5424. If exchequer bills, which carry interest, have at some periods been at a discount, is it not to be expected that much more would inconvertible paper, not bearing interest, fall to a discount?—I apprehend it would.

5425. Should you not apprehend that the discount might be very great?—It might be very great under certain circumstances; and I can see no advantage in such an issue of Government paper, compared with the plan that was resorted to upon the suspension of payments in 1797, of making Bank notes partially a tender.

5426. Was not that plan attended with very considerable and very lengthened inconvenience to the country?—I do not treat a suspension as a light evil or as a mere inconvenience, but I am supposing that a necessity for something equivalent to a suspension should occur, because the very provision refers to a demand upon the Bank for gold beyond what it can supply.

5427. Supposing the Bank, as contemplated in a late question, to be actually drained of money, do you think it would be better to have recourse to the plan of 1797, or to issue securities, whether upon the faith of Government or upon that of the Bank only, bearing interest, and therefore necessarily to be paid at a certain time

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time, within which gold might be procured, and so as to make it extremely improbable that there would be any permanent suspension, as there was after 1797?—I do not see that there would be a greater danger in one case than in the other, because if once a suspension of the Bank of England payments in specie occurred, were Government paper to be substituted, or if it had been substituted in 1797, I see no reason for supposing that there might not be as many grounds upon which that Government paper should be continued as a legal tender, and as a general mode of payment, as those which were urged for the continuance of Bank notes as a partial tender under the restriction.

5428. Would such an issue of inconvertible Government paper differ much in principle from a sale by the Bank of the exchequer bills they held, in order to convert such bills into gold, and resume their payments?—I should conceive that it would be much better for the Bank to sell their exchequer bills, and reduce their liabilities, and replenish their coffers, and eventually resume payment, and that they would be more likely to do so than if a Government paper money were issued, because, when once that paper had got into circulation, the temptations to the Government would be very great to continue it, full as great as to continue the restriction after it had been imposed. I believe that if such a plan had been acted upon in 1797, instead of that which was adopted, of making Bank notes virtually a legal tender, we should have had at least as much difficulty, and I apprehend still more, in recurring to a metallic standard; the inducement to the Government, for financial purposes, being so irresistible in times of pressure to extend a facility which already exists.

5429. Is not the danger of an exhaustion absolutely inseparable from the principle of Banking?—Under extraordinary circumstances, I conceive it is so.

5430. In that case is there not a considerable injury done to those who are holders of the notes of the Bank?—I doubt whether the injury, under the extraordinary circumstances supposed, would be considerable; and certainly it could not be of long duration if the Banking establishments were under proper regulation, and were liable to publication of their Accounts, by which it would be seen what was the nature of the drain, and confidence would very readily be acquired on the part of the Public that the Bank would very soon be in a state to resume specie payments; in that case the suspension would be attended with inconvenience, and possibly with injury, but necessarily of a very temporary nature.

5431. Would not the injury to individuals be diminished, and the danger of the suspension continuing for a long period be greatly lessened, by charging the Bank with interest for its suspended payments; and is it not probable that with such a regulation, a few weeks generally would be the limit of the period of the suspension?—I should have no objection to a penalty in the mode proposed, in as far as it would be likely to operate, together with the publicity, upon which I lay the greatest stress, to induce the Bank to extraordinary caution, with a view to not putting itself in the situation supposed; and I beg leave to add, that it appears by Mr. Gallatin's work, that a provision of that kind is established with reference to some of the Banks in America. The passage in which he mentions it, is the following: "One of the most efficient securities afforded by the State Laws against improvident issues of notes, is to be found in that of Massachusetts, by which Banks are obliged to pay interest at the rate of 24 per cent a year on all notes or deposits which they may neglect or refuse to pay in specie on demand; a similar provision, but at the rate of 12 per cent, has been enacted by the State of Louisiana, and is also inserted in the Charter of the Bank of the United States."

5432. Is it not a fair provision to make them pay an excessive interest in such a case?—If it is desirable to impose a penalty, I should say that it was desirable that that rate should be beyond the common rate of interest.

5433. If the rate is only the common rate of interest, can it be called a penalty?—Perhaps not.

5434. In such a case as that in 1797, is there not another great evil in addition to that which is sustained by the holders of notes, namely, a failure of the engagement upon the part of the State to its creditors; do you conceive that it would be easy or expedient to arrange for the payment of the dividends upon the public funds by the Government, or by the Bank, not as bankers, but as agents for the Government?—I am not prepared to say that such a measure would be expedient; in the case supposed of such an emergency, the real value of the paper would be in most cases increased, where there is no suspicion of insolvency, and where the

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contraction had already been very considerable, in order to counteract the dra in there would generally be such a fall of prices as to make the circulation of increased value; therefore the public creditor receiving in common with other creditors the paper of the Bank of England, would not be in reality prejudiced, supposing the suspension to be of very short duration, and limited to the emergency.

5435. Was not the case in 1797 exactly the reverse; was there not a rise of prices rather than a fall?—Not of prices generally; in 1797 there was very great temporary increase in the value of the currency, more especially in the first three months of that year, in consequence of the extraordinary destruction of credit that took place.

5436. Do you not conceive that it would be advantageous to avoid that double danger to the public creditor, namely, that arising from the possible insolvency of Government, and also that arising from the insolvency of the Bank?—I do not see any ground on which the holders of public annuities should be placed in a better situation than the creditors of the State, or of individuals in all other respects.

5437. Do you conceive that, either as connected with the scheme suggested in the late questions, or abstractedly from it, it would be advantageous to make a portion of each of the three per cent stocks payable in the intermediate periods, so as to have in the whole eight payments of dividends in a year; would not then a smaller amount of currency perform the operation?—By the practice of the Bank within the last three or four years, of advancing money upon Government securities at a moderate rate of interest, in the interval preceding the payment of the dividends, there has not been the difference which used to prevail in the amount of the circulation immediately preceding and immediately succeeding the quarterly payments of dividends, and I have great doubts whether a multiplication of the times of payment would be attended with any particular convenience.

5438. Had it not been for such an arrangement, would not the division of the dividends at shorter periods be expedient?—Yes; but for that arrangement of the Bank, it might have been desirable.

5439. You have stated in a former examination, that although you have seldom found a variation in prices to accompany a variation in the amount of the circulating medium, you conceive that it is the tendency of an increase of the circulating medium to produce a rise of prices, and *vice versa*; in the first place, what do you strictly mean there by “circulating medium”?—In my answers, I had in contemplation the circulation of the Bank of England chiefly; because, at the outset of my examination I was questioned as to the correctness of Mr. Mushet’s statements, which inferred a nearly constant coincidence between the extended or contracted issues of Bank notes and the rise or fall of prices; and therefore the principal part of my answers referred to the discrepancy between the circulation as indicated by the Bank of England issues and prices. I have had occasion before to observe, that the effect of an increase or diminution of Bank issues upon prices depends upon the circumstances under which the issues were made; and I verily believe that there are states of the markets for commodities in which an extra issue of two or three millions of Bank notes for a financial purpose might be made, and at the end of three or even six months withdrawn, without any perceptible influence on the prices of commodities, the only effect being felt in the greater or less reserves in the hands of the London Bankers, and perhaps in some trifling degree in the rate of discount and in the value of public securities. But I have always acknowledged the general principle, that, other things being the same, variations in the amount of the circulating medium have a tendency to influence prices.

5440. But your notion of that tendency arises from general principle, rather than from any observation of facts?—Certainly.

5441. Do you conceive that gold and convertible paper have precisely the same effect upon prices, that is to say, that the addition of 20,000,000 of Bank paper to 10,000,000 of sovereigns would have the same effect upon prices as the addition of 20,000,000 of sovereigns to 10,000,000 of Bank paper?—As nearly as might be, allowing for the greater facility and rapidity of the circulation of the paper as compared with the coin.

5442. Which way would that operate?—The coin would probably not circulate with the same facility or rapidity as the paper, if it constituted the whole of the circulation.

5443. And therefore would not produce an equal effect?—Not quite an equal effect.

5444. So

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5444. So far as the abstraction of 20,000,000 of gold diminished the stock of bullion in the market of the world, would you not qualify that opinion?—Unquestionably. I did not understand the question as referring to the degree in which the value of gold would be affected by applying so much more of it to the purposes of coin, and so withdrawing it from other purposes.

5445. Do you conceive that an addition of 1*l.* notes, and an addition of 10*l.* notes or large notes, would have the same effect upon the prices?—Yes, I imagine it would; but I must add, that I refer to the permanent effect, because, upon the first issue of 1*l.* notes, or any small denomination of paper, it is very possible that the channels through which it should be issued might be such as would tend in the first instance to an enlargement of the general circulation, and might favour particular speculations, and in that case there might be a temporary rise of prices on the issue, and a reduction of prices on a contraction, which would be distinct from the permanent effect. I rather understood the question to refer to what would be the permanent condition of prices under a circulation consisting wholly of a small denomination as compared with a circulation containing a proportion of a larger denomination. If the whole consisted of 1*l.* notes, there would be an intermediate degree of inconvenience, as between the case I supposed before, of notes of the most convenient denominations and coin.

5446. Supposing half the increase of the circulation were in inland bills of exchange at moderately short dates, say 60 days, would that have nearly the same effect upon prices as notes of the same amount?—Temporarily, during the period of their running; before they were due, they might have the same effect.

5447. Supposing they were continually re-issued?—In as far as they were in use, by economising the previous amount of the currency, they would operate virtually in the same way as an enlargement of other descriptions of paper.

5448. Considering the answer you have just given, and the statement you have formerly made, that prices and issues have not kept together as they might have been expected to do; do you not think it possible that the cause and the effect have been mistaken popularly, and that the increase of prices rather arises from an extension of transactions indicated by the increase of paper, than from an increase of paper itself?—Yes, that is an opinion I have on former occasions endeavoured to explain, namely, that an increase of paper is most commonly the consequence of a tendency from other causes to a rise of prices; while on the other hand, the increase of paper does admit of that tendency operating to a greater extent.

5449. Have you of late taken any pains to ascertain the correctness of those theories which pretend to show that prices have risen and fallen exactly in proportion to the increase and diminution of the Bank circulation; do you see any reason, from any thing you have seen of late, to alter the opinion you before expressed to the contrary of that?—I have seen no reason to alter the opinion I have before expressed. I have never called in question the principle, that, *cæteris paribus*, an increase or diminution of Bank of England notes, if they were to be taken as indicative of the whole amount of circulation, would produce a tendency to a rise or fall of prices; I have only observed, as far as my researches have gone, that in point of fact, and historically, in every signal instance of a rise of prices or a fall of prices, the rise or the fall has preceded, and therefore could not be the effect of an enlargement or a contraction of the Bank circulation.

5450. Has what you have had an opportunity of seeing or of knowing of trade, and of the transactions of the Bank in former years, tended to corroborate that opinion?—Entirely.

5451. Can you state what is precisely meant, in the City, by an abundance and scarcity of money in the country?—It means strictly a tendency to a fall or a rise in the rate of discount. When money is said to be scarce in the City, it means that either an advanced rate of discount is required, or that only the first-rate description of bills, or those which have the shortest date to run, are discounted at the previously current rate.

5452. Then it is by no means synonymous with the abundance or scarcity of currency?—By no means.

5453. With the same amount of currency, there may be a greater or less degree of scarcity of money?—Yes; the rate of discount may fall with a circulation, looking only to the numerical amount, very contracted.

5454. You have referred, in a former answer to-day, to an issue of notes occasioned by a supposed issue of exchequer bills by Government to the Bank; will you state what you conceive would be the effect of such transaction?—Much will

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depend upon the circumstances under which the issue might be made. If the extra issue by the Bank were made at a time when there had been a re-action from extensive speculations, or when the stocks of commodities generally were computed to be fully equal to, if not beyond the ordinary rate of consumption, and when there was no tendency to what is called scarcity in the money market, the probability is that such increased issue of Bank notes would not produce any sensible rise in the price of commodities. Supposing that the extra issue were again withdrawn from the circulation after an interval of moderate length, it would only go to swell the reserves of the Bankers, who might thence be induced to increase by the same, or nearly the same amount, their deposits in the Bank of England, and thus the notes, if not cancelled by repayment from Government, or by the Bank selling exchequer bills, might be paid into the Bank of England as deposits, so as to increase the liabilities of the Bank of England, leaving the amount of Bank notes in circulation, after a short interval, the same, or nearly the same, as it had been before such increased issue, and without any intermediate disturbance of prices. The position of the Bank, as regarded the ratio of its reserve to its liabilities, would in the last supposed case be altered, but that is a separate consideration; all that I proposed to point out was, that there might be a temporary enlargement and contraction of the Bank issues without any influence on the prices of commodities. I would add, that in supposing no effect on prices, I assume that the notice of the Public had not been drawn to the financial operation leading to the increased issue, because if the attention of the commercial Public were drawn to it prospectively, this very circumstance might form the groundwork of speculation, and in that case a rise of price, in consequence of the increased issue, would be followed by a corresponding fall upon the contraction. And I have to repeat, that if an enlargement of the Bank circulation should take place coincidently with or immediately preceding a tendency from other causes to a rise of prices, it would contribute to extend and prolong the speculation.

5455. If they produced no effect upon the market for commodities, would not it be in this way, that the money would be wanted by Government, either to make some purchases, or to be paid to persons who would thereby be enabled to make greater purchases, and to increase the demand?—In the first instance, it would only probably replace some other demand.

5456. The expression has been frequently used in these discussions, “excessive issue;” do you conceive that there can be an excessive issue of convertible paper, except in reference to the safety of the Bank that make the issue?—Not in strictness as relates to the Bank in question, but there may be as regards the Public.

5457. Cannot there be an excessive issue by all the Banks of the country, notwithstanding each of them attend to their own safety?—Yes, there might undoubtedly; that is, there might be such an extent of issue by all the Banks as would endanger the power of paying in gold their notes on demand.

5458. Could this happen, notwithstanding each individual Bank attended to its own security?—Undoubtedly, if each Bank looked only to its own security, relying upon a supply of gold from the Bank of England in case of emergency.

5459. Supposing each Bank to keep up its proportion of bullion in reserve, how is its liability to a drain upon that bullion increased by another Bank with as much prudence also making an issue?—If the question implies perfect prudence in the strictest sense of the word, on the part of all those Banks, then my answer would not apply, for it supposes that each Bank would keep such a reserve of specie compared with its liabilities as would of itself be sufficient to answer extraordinary as well as ordinary demands, without relying upon the Bank of England for an immediate supply of gold. Whereas I was supposing that the competition among Banks, conducted with what has been considered ordinary prudence, or a regard to their own safety, would tend to such an enlargement of the circulation in times of confidence, as would, upon a revulsion of credit, lead to a suspension of payment in specie, unless, as in the case of the Scotch Banks, and of our Country Banks generally, they had the resource of the Bank of England.

5460. Are not a number of Banks, if conducted with an equal degree of prudence, exchanging their notes with one another at short intervals, precisely in the situation of a single Bank conducted with an equal degree of prudence, as far as the convertibility of their notes is concerned, and the liability to drains and over issues?—The term “prudence” implies the whole point; if they are all perfectly and equally prudent, there is no reason why the multiplication would be more

more hazardous than a single Bank ; but, according to all observation, it is the effect of competition occasionally to induce undue and imprudent enterprize.

5461. Then you think that the number of Banks alone is no security against over issues, for, supposing them all to be conducted with the same degree of prudence, they only stand in the situation of a single Bank ?—Precisely.

5462. Would a number of Banks of issue, particularly Banks established in the country, be likely to pay such attention to the Exchanges as a single Bank established in the Metropolis, and having of course every convenience and every means of paying that attention to them ?—In my opinion they would not, and do not attend to the Exchanges.

5463. And you mean to say that the safety of a prudent Bank would be affected by the imprudence of its competitors ?—Yes.

5464. Do you conceive that the Bank of England is called upon to look to any consideration but its own security ?—Its own security, namely, that of being able to fulfil its engagements, seems to me its primary sole object.

5465. Would not a number of Banks, each of them attending to their own security, produce such an excessive issue as to cause a great fluctuation of prices ?—I think that, judging by the experience of the Scotch Banks, there is that danger ; for I have an impression, that though they maintain their solvency with great correctness, yet that they make advances to a greater amount in times of confidence than is expedient with a view to avoiding great fluctuations of credit. I should say that they produce greater fluctuations of credit than of prices.

5466. In order, then, to secure themselves, are they not obliged to contract their issues very suddenly ?—They have done so upon former occasions, and certainly are chargeable with undue enlargement in times of confidence, entailing a necessity for a very sudden contraction.

5467. Are you of opinion that the danger of excessive issues arising from a number of Country Banks competing with each other, is a sufficient cause to justify the monopoly of the Bank of England ?—I am not prepared to state a very distinct opinion in favour of the general and unlimited monopoly of issue by the Bank of England, because there are inconveniences attending it in detail ; but at the same time I am very much of opinion that a single source of issue would be attended with fewer fluctuations than under the existing system.

5468. Then you would think it a sufficient reason to justify an issue of currency by one Bank alone ?—I am not prepared to recommend, practically, so great a change ; at the same time, in principle, I certainly should prefer an extension of the Bank of England issues to an enlargement of the circulation upon the footing upon which it has been hitherto conducted by the Country Banks.

5469. You have stated that the increased issues by the Banks would have an effect upon credit, rather than upon the prices of commodities ; do you conceive that it would have any effect upon the prices of commodities ?—That must depend upon the circumstances under which the enlarged issues were made ; at the moment of an enlarged issue, if specially advanced to enable merchants to export or to import more or to work up more raw materials than they otherwise would have done, they would, *pro tanto*, add to the prices.

5470. Then the effect upon prices is not produced by the addition to the circulating medium, but by the additional facility given to commercial transactions ?—Yes, at periods when, from the circumstances of trade, or of a particular commodity, there is a tendency from other causes to a rise in the price.

5471. And it would be equally produced if the advances were made in gold ?—Undoubtedly so.

5472. Have you knowledge enough of the former practice of Country Bankers to be able to state whether they were more liberal in making advances when they issued 1 *l.* notes, than they have been since ?—I am not competent to answer that question.

5473. In 1826, at the end of the Panic, you are aware that a great alleviation was produced by an issue of 1 *l.* notes by the Bank ; is it your opinion that if the issue had been made at a much earlier period, and to a greater extent, it would have produced a similar effect ?—It is very difficult to form an opinion upon an hypothetical case of that kind. The issue at the moment was indicated by a nearly total exhaustion of coin ; it was a momentary substitution in case of emergency, for a certain amount of coin ; but I doubt whether it would have had any particularly salutary effect if it had been issued earlier.

5474. Do you conceive that those who came for money had a diffidence in the

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Bank of England notes, as well as in the notes of the Country Banks, and that therefore they required gold, and would not have been content with Bank of England paper in lieu of Country Bank paper?—I hardly feel equal to stating distinctly what the public opinion might have been in that case; but, to the best of my recollection, at the termination of the run in 1825, the scarcity of Bank notes was such as no longer to admit of any difficulty or doubt on the part of persons receiving them, or giving any preference to gold. The Bank of England paper seemed then to be wanted to supply the chasm in the circulation from the failure of private credit; and there was at the moment a cessation of any demand by the Public for gold in exchange for Bank of England notes.

5475. Was there any demand for gold for exportation then?—It had ceased at that time, the tide was beginning to turn; there had been a considerable demand for exportation down to November, or the early part of December 1825. The demand for exportation had already ceased when the experiment of adding to the circulation of Bank of England paper, for the purpose of relieving credit, was adopted.

5476. Had it not also ceased before the run upon the Bank from the country, in consequence of the failure of Banks in the country?—I cannot speak accurately from memory, but, if I recollect right, the Exchanges were unfavourable till late in the autumn of that year.

5477. You have taken pains, in some of your publications, to make up tables of prices, whereby you have illustrated the different positions you have laid down; can you conveniently furnish the Committee with a continuation of those tables, and a statement of the way in which they are made up?—I am sorry to say that I have neglected to form such tables since the last of my publications.

5478. In case of a demand for gold, the rule adopted by the Bank is rather to sell exchequer bills than to reduce the amount of commercial discounts; do you think it makes any difference to the mercantile world, whether the Bank contracts its discounts or sells exchequer bills in the market, supposing the issues of the Bank in both cases to remain the same?—It makes, I apprehend, at the present rate of discount, very little substantial difference; but if the rate of discount were at five per cent for the best bills, and none but the best could be discounted in the market at five per cent, then by the operation of the Usury Laws there would be a very material difference in the effect upon the money market, whether the Bank sold exchequer bills or reduced the amount of its discounts.

5479. Supposing the rate of discount adopted by the Bank and that by the bill brokers to be the same, in that case it makes no difference?—It makes no difference worth mentioning.

Henry Burgess, Esq. again called in; and further Examined.

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5480-1-2-3. Was there not an extraordinary and even imprudent issue of notes on the part of the Country Bankers, in the midland districts of England, in the year 1825?—It does not appear from the Return which I gave to the Committee on Friday, that there was any very remarkable, and certainly no imprudent issue; although with respect to one part of the midland district the Return exhibits a case which is rather remarkable. The Bankers at Nottingham are eminently distinguished for prudence and good management, there never, I believe, having occurred an instance of a Bank having failed in that town; yet it so happens that in looking over the returns of the issues of Country Banks from 1818 to 1825, three of the Nottingham Banks are in the year 1825 amongst the highest, which was owing entirely to a great increase in the manufacture and in the population of Nottingham during that period.

5484. From the Stamp Returns, it would appear that a great increase took place in the issues of Country Banks in the year 1825; how do you reconcile the amount of the increase of stamps in the years 1824 and 1825 with the small increase in the actual circulation which the Table you have given to the Committee would seem to exhibit?—The explanation consists of several particulars, which the Committee perhaps would allow me to state: After the measure of 1819 came into operation, the general currency of the country became greatly restricted, and a great many notes of the Country Bankers were consequently drawn in; the Bankers did not want any new stamps while their old notes were out of circulation and ready for use, and they did not consequently get any large amount of new stamps for some years subsequent to the passing of the Act of 1819; further than that,

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that, there was an impression upon the minds of all men of sense and experience that the measure of 1819 was an impracticable measure, and could not be persisted in, and consequently the Bankers were waiting for the changes which they were confident would take place; a change did take place in the year 1822; Lord Castlereagh brought forward a measure to extend the issue of small notes from 1825 to 1833, naturally thinking and alleging as a ground for the proceeding, that the subject of small notes would be appropriately brought under consideration when the subject of the renewal of the Bank Charter was brought before Parliament; after this proceeding on the part of Parliament, many of the Bankers thought that the old system would be restored, and I apprehend that that might induce them to lay in a stock of notes, to be ready for the coming demand which they anticipated; it so happened also that just about that period there were very great changes in the mode of engraving the Bank notes themselves; Mr. Perkins, a gentleman from America, introduced some changes in the engraving of Bank notes, which were supposed would have the effect of preventing forgeries, or rendering forgeries much more difficult; now I know a great many Banks ceased to issue their old notes at that period, they were obliged consequently to get new stamps for the new engraved notes. I think that those circumstances go far to account for the extraordinary increase in the issues of stamps to Country Bankers, and it is in that manner that I reconcile the apparently conflicting circumstances of the extraordinary increase of stamps, and the very small comparative increase of issues; I know in addition to this, that a great many stamps so taken were not used; one Banker had 4,000 stamps for each, all filled up and signed in the year 1823, and not one of them was issued; he never had an opportunity of getting them into circulation between 1823 and 1829, when the issue of small notes was suppressed.

5485. From a review of all these circumstances, is the Committee to infer that it is your opinion that the increased issue of stamps to Country Bankers in the years 1824 and 1825 forms no measure of the actual increase of their issues?—None whatever. I knew another Banker who had 14,000 one pound notes, which were obtained in the year 1823 and 1824, and they were in a perfectly usable state, many of them not issued at all in the year 1829, when he was obliged to suppress them.

5486. Are not Mr. Sedgwick's Tables of the Issues of the Country Bankers framed exclusively on the datum of the issue of stamps?—Entirely so, I believe; and I think it has been customary to deduce a conclusion from the issue of stamps, supposing the notes to last for three years; I know so many instances of notes lasting on an average four, five, and even six years, that I believe the calculation has been exceedingly fallacious on that ground.

5487. The Committee understand that the Table you have given in, of the Issues of 122 Country Bankers, from the year 1819 to 1825 inclusive, is founded upon the actual issues, verified by their assertion?—Yes, I have the letters of the Bankers here, if any gentleman of the Committee would like to see how the Returns have been made up.

5488. Do not the Tables you have given in show a very small increase of the circulation?—Yes.

5489. Do you suppose, from the returns you have had, that in fact the Country Bankers did not increase their issues during that period?—To the extent of 16 per cent, 16*l.* 1*s.* 10*d.* is the average. It so happened in many parts that there was an increase exceeding 30 per cent, but in most of the agricultural districts there was a great diminution, even in that year. In the county of Kent, there was but one or two Bankers who in the year 1825 increased their issues.

5490. You are acquainted with the views of the Committee of Country Bankers?—I know all that has passed in the Committees; I am not aware that they have come to any conclusion, except that they should resist giving security for their notes; they would rather relinquish the issue of notes, than give security.

5491. Have they formed any opinion respecting the renewal of the Bank Charter?—I know the Bankers generally are friendly to a renewal of the Bank Charter, provided the Bank do not interfere with their particular interests in doing Banking business.

5492. Are there any exclusive privileges which the Bank now possess, which the Country Bankers consider to be injurious to the interests of the country generally?—I am not aware that they have come to any resolution upon that subject; there are individual Bankers amongst the Country Bankers who make objections to some pri-

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vileges of the Bank of England, but I am not competent to give any information to the Committee as coming from a formal resolution of the Country Bankers.

5493. From your general acquaintance with the views of Country Bankers, are there any exclusive privileges of the Bank of England which, in your opinion, you think it would be satisfactory to the Country Bankers should be altered?—I do not think the Bankers generally are opposed to the privileges of the Bank of England, provided only their business were not interfered with by the Bank.

5494. In what way do you consider that their business is interfered with by the Bank of England?—In many ways; the Branch Banks do all sorts of banking business upon lower terms than the Bankers in the country; they receive the taxes, and collect them in a manner prejudicial to Country Bankers, and remit the amount to London, a branch of business that was one of some profit to the Banks in different parts of the country; and I believe by a recent law, all the dividends of bankrupts' estates are obliged to be paid in to the Bank of England; I do not know whether that extends to the country, it is so in London.

5495. You said that the Bank of England did their business upon lower terms than the Country Bankers have been in the habit of doing it; is not that advantageous to every other class of the Public besides the Country Bankers?—I think it is advantageous to a small portion of the Public, but it has a tendency to create speculation in various parts of the country, which would not otherwise exist. There is an extraordinary secrecy in the proceedings of the Bank of England; and I have heard eminent Bankers complain that they found it exceedingly difficult to ascertain the situation and responsibility of their connexions, where they had accounts with the Bank of England, because such accounts afford them a channel for discounting accommodation bills, which no private Banker could have access to, and therefore Country Bankers were excluded from important information, which would otherwise have been open to them.

5496. Do you apprehend that it would be advantageous to the business of Country Banking if the affairs of the Bank of England were published?—I think that is not a point that has ever entered into the consideration of the Committee of Country Bankers as a part of their proceeding.

5497. Would it be advantageous to the management of the concerns of Country Bankers, that they should know what the state of the affairs of the Bank of England was periodically?—I do not think they consider their own affairs dependent upon that information at all. Perhaps at particular times, if the amount of the gold coming in or going out of the country were ascertained by the Country Bankers, it would have an influence upon their conduct that might be advantageous to them.

5498. If you were informed of the principles upon which the Bank of England do, and are to conduct their issues, and if by a publication of the Accounts the Bankers also saw how far the Bank adhered to those principles, would it not then be a valuable guide to them as to the management of their own affairs in banking?—I think the great majority of the Country Bankers imagine that the publication of the Accounts of the Bank would at times facilitate runs upon the Bank, and cause greater derangement than we have yet experienced; as far as I am acquainted with the views of the Country Bankers upon this point, that is the tendency of their opinion.

5499. If the Public were not informed, but the Bankers alone were informed of the principles and practice of the Bank of England, would such information be valuable to them, or not, in the conduct of their business?—It might be valuable to them, because there would then be a sort of identity of action between the Bank of England and the Country Bankers, which would be salutary to both.

5500. If a Country Banker had a very large number of notes in circulation, and were informed that the Bank of England, on account of a drain upon it for gold, had contracted its issues, would a prudent Country Banker, having a large amount of circulation out, contract upon a knowledge of that fact?—Unquestionably; I have already given evidence of the influence of such contraction upon the conduct of Country Bankers.

5501. And if after an adverse Exchange had become rectified, the Bank of England enlarged its issues, would it be consistent with prudence for the Country Banker to be more liberal in his accommodation?—They would generally adapt their conduct to the action of the Bank of England.

5502. If therefore Country Bankers, both in enlarging and in contracting their issues, have a policy identical with the Bank of England, and are regulated by the measures

measures of the Bank of England, would it not be very valuable information for them to know with certainty how the Bank of England was proceeding from time to time?—Undoubtedly; if it was information that did not go to the Public, and cause a run upon the Bank at particular periods, when sudden and great contractions became requisite, it would be exceedingly valuable to the Bankers themselves; but I suppose that the publication of the Accounts might at particular periods tend to cause extraordinary demands upon the Bank, which would not be experienced but for such publication.

5503. Do you think that such information is valuable only to Bankers; may it not equally be important to merchants?—Through the medium of the Bankers, it might be important to merchants; the Banks are generally the centre of all money operations. I think that all information that is to have an influence upon the conduct of Bankers, should be as much as possible confined to Bankers.

5504. If the information be correct, and valuable to be obtained, how does it matter in what manner the merchant receives it?—I suppose that if it became generally diffused through the Public, it might cause an alarm, and create a demand for gold for hoarding, and not for mercantile purposes.

5505. Are you not of opinion that, other circumstances remaining the same, an increase or diminution of the circulating medium operates upon prices?—Certainly.

5506. Then is it not very valuable information to the Public to know, that, either by an increase or diminution of the circulating medium, prices are about to fall?—Confining my answer to the immediate interest of merchants, unquestionably it is; the merchant is equally interested with the Banker in obtaining such knowledge; but I am supposing that if the information were made general, other evils might be induced.

5507. Would it not be a convenience to every person engaged in trade, in their individual capacity, if they were aware what was likely to be the conduct of the Bank of England?—It would, bearing in mind the other alternative, that at times there might be a tendency to create mercantile demands for gold.

5508. Then your sole apprehension is, that when the amount of gold in the Banks was low, a public apprehension might arise, and a demand would ensue?—Yes, I think demands might be created by it foreign to the interests of men of business.

5509. Saving that apprehension, you think that all classes of traders, whether Bankers, or purchasers, or sellers, have an interest in knowing whether the circulating medium is on the increase or the decrease?—Yes, all in mercantile habits.

5510. And agricultural habits too?—Yes, I embrace them in my last answer.

5511. Are you aware what is the practice of the Banks in the United States, as to publicity?—I believe they publish their Accounts half yearly.

5512. Did you ever hear of that publication being attended with the evil consequences you anticipate from publication of the Accounts of the Bank of England?—We are in a very different state from that which exists in America. In the United States there prevails almost universally a practical restriction upon cash payment, in the same manner as there does in Scotland, and resulting from the same feeling. I have seen a letter that arrived in this year, written during the Panic of December and January which prevailed generally in the Union, describing the unpatriotic conduct, as it was called by the writer, of certain merchants who had demanded payment in cash against the Banks, for the purpose of exporting it to England; and the writer, a man of considerable importance in the town in which he lived, said he hoped those men would be marked in society for such conduct; and he described the terrible effects which were produced by it upon the general affairs of business, in consequence of the Bankers being compelled to restrict their usual accommodations to the Public. I followed that information up by a question put to Dr. Macauley, who was present when the letter was read; Are we to understand, I said, that in America, though you profess to pay your notes in cash, yet that cash is so rarely demanded, as would appear from this gentleman's remarks upon this transaction. He said, It is a generally understood thing that the Banks are to be protected from demands in cash, except for the convenience of making fractional payments.

5513. Do you not suppose that when for mercantile purposes a merchant wants specie, he does not demand it?—I believe that such demands are rare upon the Banks; and I have known instances where Banks have privately interceded with merchants to suspend such demands.

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5514. You have mentioned Scotland; have you any opinion, from your knowledge of the mode of banking in Scotland, whether the foundation of it be a nominal competition and a real combination against the demand for specie, and a constant exchange of paper amongst the banking establishments?—There is a change going on in Scotland as there is in England. Up to within seven years past, it was a real combination among the Banks; but I think that is breaking down.

5515. Then till lately, you think that in Scotland a combination really existed for the maintenance of an exclusive paper currency?—Certainly it did exist in Scotland in full force. I believe that the same principle is still in operation to a great extent, both in Scotland and the United States.

5516. Have you any opinion upon the policy of allowing a competition in the Metropolis itself, in the issuing of paper?—I think it would probably lead to great confusion; I consider that it must lead, either to very great competition on the part of the issuers of notes, and to consequent sudden changes of great contraction or extension in the amount of their issues, or to that sort of combination that exists in Scotland amongst the issuers of notes.

5517. Which would be equivalent to a virtual suspension of cash payments?—In great measure it would be so.

5518. While the law remains as it is, with respect to the convertibility of paper into gold on demand, would not the Exchanges operate as an ample check in the Metropolis against such operation?—They would at times, unquestionably; but the Exchanges are frequently under an influence that I think we are not sufficiently aware of. While so much credit is passing between States, the credit both of Governments and of individuals, we hardly know what condition the Exchanges are in for a considerable time after a change may have been imperfectly indicated. They are not influenced solely now, as formerly, by the transmission of commodities from country to country, there is very great passage of credit and of money capital from one State to another; and I have no doubt that our export trade to the United States has been greatly facilitated by the transference of capital from this country to America for public works. The Exchanges are very much influenced by such transfer of capital; and the mere Custom-house returns of the amount of commodities imported and exported, afford a very imperfect criterion of the tendency of the Exchanges.

5519. The credit, however extended the amount, must at last be balanced, and when balanced, is it not balanced in specie?—Yes, but that may be after a very long period; it depends upon how long it takes to make a drain from this country to any other State, sufficient to overbalance the imports received by us from that other State. I believe the capital sent from Great Britain to foreign countries during the last fifteen years, exceeds 150 millions. Dr. Macauley told me that in the single State of Pennsylvania there are twelve millions of British capital invested in public works.

5520. Would not the proportions in which that was remitted, in goods or in specie, depend upon the Exchanges?—Certainly.

5521. And when the account was balanced, would it not depend upon the Exchanges, whether the remittance was in specie or in goods?—After a long period it would; but I apprehend it would extend to several years before the account were so balanced; during which, money capital would be flowing from this country.

5522. From what period do you date that great extension of credit?—Principally since 1823; the operations commenced in consequence of the difficulty of employing capital in this country at a fair remunerating rate.

5523. Must not that fact be tested by the experience of merchants, if the extension of credit be so great as you say?—Yes. I apprehend there are many persons much more competent to give information upon those points than myself.

5524. Does not a period arrive when the foreign countries repay in the shape of dividends upon the capital so advanced?—Undoubtedly, in part.

5525. Is the Charter of the United States Bank renewed this year?—There has been some difficulty in obtaining a renewal, but I believe it is understood that there is to be a renewal.

5526. Are the Committee to understand that the only part of the exclusive privileges now enjoyed by the Bank of England, concerning which you feel a jealousy, are the rights now exercised by the Bank of England in its Branches?—Amongst the Bankers, there are many individuals that entertain their own private opinions, which are opposed to the renewal of the exclusive privileges of the

Bank;

Bank; but there is no one leading point, except that of interfering with their own practices in the conduct of their business, to which the Country Bankers have indicated their opposition in a formal manner.

5527. Do you mean to say that the body of the Bankers for whom you act as Secretary, are of opinion that the Branch Banks should be dispensed with?—Yes, or be employed only for the use of the private Bankers in creating and distributing currency.

5528. Do you mean that they are not anxious that they should discount the bills of the Bankers at the Branch Banks?—That they should not discount the bills for the Public, that they should not advise of the acceptances and notes of merchants and traders for payment, which they do at an under rate of charge, and that they should not make payments and receive dividends, and in short, do all business transacted by Country Bankers in the manner now practised by the Branch Banks, which is so injurious to private Bankers.

5529. For what reason is it that they wish that part of the business of the Branch Banks to be withdrawn, which consists in discounting Bankers bills, and in advancing specie to them upon the notes of the Branch Banks; or that which respects the payment of specie for them to the Bank of England in London, forwarding it to them in the country; are not such parts of the business of the Branch Banks eminently advantageous to the Country Banks themselves?—I am afraid I have been mistaken; I did not mean to say that the Country Bankers objected to the Bank of England taking any business from the Bankers themselves, but that they thought the business of the Branch Banks should be confined to Bankers.

5530. In your opinion, is that the interest of the Public, or the interest of the Country Bankers?—I have given the view that the Country Bankers take of it; it is a mixed question; there are certain portions of the Public that receive advantages from the establishment of the Branch Banks, but I think there are much greater evils that more than counterbalance those advantages.

5531. If the effect of competition with the Country Bankers by the Branch Banks were to make it impossible for the Country Banker to sustain a competition by the ordinary rate of profits, and to drive them from their present business, would that effect be very disadvantageous, in your opinion, to the Public?—Exceedingly so, because the Branch Banks cannot perform the important business of a Banker with the same efficiency as a man that devotes his whole life to the profession, and is committed to it in character as well as in fortune.

5532. Do not the Branch Banks afford a considerable convenience to the Country Bankers, by enabling them to receive specie from London at a small expense?—Undoubtedly that is felt by the Country Bankers.

5533. If, then, the Branch Banks were confined to the assistance which they give to the private Bankers, and not to enter into competition with them, you think the establishment of Branch Banks would be advantageous to the Bankers?—I think it would, and especially under the present regulations of the currency; and I believe that many note-issuing Bankers have a desire even to extend the privileges of the Bank of England in one respect, and that is in making the notes of the Bank a legal tender from licensed Bankers.

5534. Do you think it would be advantageous that a Country Banker might be allowed to pay his notes in Bank of England paper?—Yes.

5535. If that was the case, would it not be necessary to make Bank of England notes a legal tender generally?—From all but the Bank of England it would, perhaps.

5536. Do you not think the effect of that would be to reduce the amount of gold in circulation throughout the country?—Yes, I think it would; it should be accompanied with another regulation, that of making the standard of value, and legal tender, in silver.

5537. Why is that a necessary accompaniment?—Because, I think, there is a great disposition among the Public to rush for gold in any state of political agitation; and I do not think there would be the same disposition to make demands for silver; in the first place it is not so portable, and in the next place it is not so easily kept in safety as gold, and silver is more readily obtained from foreign countries; there is also something in taste and fashion, the Public like gold, and they have not the same liking for silver.

5538. If a person is alarmed as to the security of the Bank, would he not be anxious to get whatever is the standard metal into his possession?—I do not think

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alarm often comes through that channel, it is more an alarm for the security of the Government, and for the Bank as identified with the Government, that causes demands upon the Bank; I do not think it is because the Public fear that the Bank is likely to become insolvent, so long as the Government can discharge its obligations. If any agitation causes the Government to get into discredit, there is a tendency to rush for gold to the Bank.

5539. Do you mean that in 1825, the run which took place upon so many Banks, was occasioned by any discredit of the Bank of England, or of the Government, or that it was not occasioned by a run upon the Country Bankers?—I do not mean that it was so in that instance, but it was in the month of May last.

5540. Supposing that silver had been the currency in 1825, do you not suppose that the holders of country notes would have flocked in nearly to the same extent that they did, if silver had been the standard?—Not if Bank of England notes had been made a legal tender from all but the Bank of England itself.

5541. What reason is there for making silver the standard metal, in consequence of making Bank notes a legal tender?—I think that inasmuch as there is less desire in the Public to demand silver, it would leave the operations of Banking, and the circulation generally, in a more undisturbed state.

5542. Would not making Bank notes a legal tender, *pro tanto*, diminish the demand for gold upon Country Bankers?—Undoubtedly it would.

5543. Would it not therefore diminish the pressure upon the standard metal during a period of depreciation?—Undoubtedly. I can adduce a fact in illustration of that; in the Panic of 1825, after the Bank had been nearly drained of gold, the Bank of England notes were sent into various districts, and amongst the rest into Norfolk, and Mr. Gurney, the head of one of the principal houses of issue in that county, said it had the effect of a wet blanket upon a fire, I mean the sending of Bank notes instead of gold had this effect; gold would have quickened the demand, but Bank of England notes stopped it.

5544. Is not the circumstance, of gold being the standard metal, one very great reason why Bank of England notes should be made a legal tender?—I think it is.

5545. Are you of opinion that if the Country Banker were allowed to pay his debt to his customer in Bank of England notes, making it a legal tender, that customer should have an equal right of forcing it upon his creditor?—Yes.

5546. And you think the one is inseparably connected with the other?—Yes, I think so.

5547. In case of a silver standard, would you be of opinion that the Country Bank note should not be convertible at the option of the applicant into any thing but Bank of England notes?—Yes, I am of that opinion.

5548. Would not that make the silver currency in country districts difficult to be obtained, and scarce?—I should think not; certainly not, while the silver currency circulates at a depreciated value, as it does now.

5549. Is it your plan that the inconvertibility of the Country Bank notes should be an accompaniment of a silver standard?—Yes; and I think I can in some measure answer these questions by a reference to experience; during the great depreciation of Bank of England notes between 1797 to 1814, I am not aware that, except at one period, there was any great difficulty in getting silver, and that I think continued only for nine or ten months; and I remember very well that many Country Banks were obliged to issue 10s. notes and 5s. notes, which they had no difficulty in withdrawing from circulation after the emergency.

5550. The supposition of a silver standard gets rid of the supposition of there being a depreciation in the silver standard; then supposing that silver is the standard of the country, and is not depreciated, would there not be a difficulty, in the country districts, in obtaining silver for the smaller payments?—I think not; silver abounds in all countries so much more than gold; it does generally in these Islands to a burthensome degree, so that Bankers find it an exceedingly difficult part of their business to dispose of their surplus silver advantageously.

5551. In case of its being the standard, and the notes of the Banker not being convertible at option into specie, the holders could only obtain silver by a draft, and not by the presentation of any notes?—As they do now; the practice of the country Bankers is to pay their connexions partly in gold and partly in their own notes; they pay one-half in one species of currency, and another half in another, for the convenience of their customers, and they would do the same if silver were the standard metal.

5552. Does your plan contemplate that the drafts of the depositors of the Bank should

should be payable only in Bank of England notes, and in silver specie for the fractional parts of five pounds; or what is the mode in which you would have the drafts upon the Bank payable?—That they should pay them in the same manner as any other demand, partly in Bank of England notes and partly in silver, at their option; but the Banker would pay them according to the convenience of their customers, as they do now.

5553. Is the Banker to be empowered to pay drafts also, as well as his own notes, in Bank of England notes?—Yes.

5554. Then how are they to obtain in the country silver specie for the ordinary transactions of trade?—In the same manner as they now obtain gold.

5555. At present, if you draw a draft upon a Country Banker, it is compulsory upon the Country Banker to pay in specie, if required; but according to the plan you contemplate, no draft, except for a fractional part of 5*l.* would be payable in specie; how, then, is specie to be obtained for the ordinary trade of the country?—The Bankers at present obtain gold from London, not for such of their own engagements as the questions refer to, beyond the proportion of one in eight, but for the convenience of their customers, who have wages to pay and small payments to make; if they had not a regard to that convenience, they would not have occasion for one-eighth of the gold they now send for; and the same thing would take place if silver were substituted for gold.

5556. Do you suppose that Country Bankers, when released from the obligation of paying in specie, will continue to do so?—Yes.

5557. You say that a Country Banker obtains gold from London only in the proportion of one-eighth of the whole quantity to meet his own engagements; what do you conceive to be the general guard of a prudent Country Banker, upon the gross amount of his issues in specie?—The guard or rest is exceedingly variable with different Bankers; from the best information I can obtain, I think the amount kept in Bank of England notes and specie is about one-fourth of their issues. I know one large Bank, in Newcastle, where they act upon a sort of principle deduced from practice; they have, in the course of 40 years, looked to ascertain the greatest demands that ever had been made upon them in five days, the period of time that would elapse in obtaining a supply from London, and they always keep the amount of those demands in their coffers.

5558. Does that principle apply to their other liabilities, as well as notes?—I think not strictly, because almost all deposits, though paid as matter of courtesy, on demand, are not demandable at the time of presenting the deposit note.

5559. What proportion of that one-fourth of their issues is in specie, and what proportion in Bank of England paper?—I can give no information upon that, because many Bankers, from a sort of feeling that the Bank of England has invaded their rights, keep no Bank of England paper at all.

5560. You have said that only one-eighth of all the gold they keep is to meet their own engagements; in that case, then, it appears that seven times as much as one-fourth of their issue is kept for the accommodation of their customers?—When I say that not more than one-eighth would be taken for engagements upon the Bank, I was alluding principally to certain Banks in the manufacturing and mining districts, where large sums are paid away for wages; and looking at the Banks in South Wales and Yorkshire and Staffordshire, I think that seven-eighths of all their weekly and monthly collections of gold and silver would be for the payment of wages and other small payments, and not for their ordinary payments in the Bank for deposits or issues.

5561. Would not that make the amount of the specie held by them, as compared with their issues, very large indeed?—Yes. I know Banks that have in their own coffers or in Branch Banks, and with their Bankers in London, two thirds of their issues in rest; but I am not now speaking of specie constantly held by them, but of specie collected by them for regularly recurring demands, such as for wages, carriers, artisans, &c.

5562. You mean in Bank of England notes and bullion?—Speaking of the rests held by Bankers, I mean Bank of England notes and the precious metals; but I mean gold and silver when speaking of their collections for regular weekly demands for wages and small payments.

5563. If Country Bankers were released from the obligation to pay in specie, except the fractional parts of 5*l.* might they not, by starving the silver currency of the country, produce such a state of inconvenience as to render it necessary to return to 1*l.* notes?—I do not contemplate that necessity, because I think the abundance

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of silver would supersede the necessity of it, except under very particular circumstances.

5564. Would not the inconvenience of having no intermediate note or piece of coin between 5*l.* and silver coins, render it absolutely necessary, either to have sovereigns or small notes?—It might; one can hardly beforehand tell what experience would develope, but it might have the effect of rendering notes of 2*l.* or 3*l.* value desirable.

5565. Do not you think it is for that reason that it may render a return to small notes absolutely unavoidable; that the Bankers may be favourable to being released from the obligation to pay their notes except in Bank of England notes, and to a substitution of a silver for a gold currency?—I am glad that question has been asked, because it affords me an opportunity of describing what the views of the Country Bankers are, touching the small note currency. I may say that at least nine out of ten, and I think a greater proportion of all the Country Bankers in England and Wales, are decidedly opposed to the issue of small notes, I mean any note under 5*l.*

5566. Are you aware of the reasons why they are opposed to a re-issue of small notes?—Yes, I am; the reasons are various, but the principal reason is, that they have found from experience that all the great demands upon Banks have commenced through the demands for small notes, and have indeed been created by the spreading of an alarm which first seized the holders of those notes.

Jovis, 2^o die Augusti, 1832.

THE RIGHT HON. LORD VISCOUNT ALTHORP, IN THE CHAIR.

Thomas Attwood, Esq. called in; and Examined.

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5567. YOU are a Banker at Birmingham?—I am.

5568. Will you state what effect the exclusive privileges of the Bank of England have had, in your opinion, upon the banking at Birmingham?—I think no evil effect whatever.

5569. Will you state what good effect they have had?—The good effect is perhaps difficult to state; but I have never experienced any inconvenience from the fact of the Bank of England being the only chartered Bank in England.

5570. Do you conceive that there is any bad effect resulting from the power which the Bank of England have over the circulation of the country?—A very bad effect has arisen from the fluctuations in the Bank of England notes; but I do not consider that the fluctuations have been in any way attributable to the Bank of England.

5571. Do you consider that the restriction which exists against any Bank having a larger number of partners than six being permitted to draw bills under 50*l.* upon London, or to issue notes payable in London, is disadvantageous to the Public?—Unquestionably not in the slightest degree.

5572. Do you think it advantageous?—I think the whole system of Joint Stock Banks erroneous and very dangerous; and therefore the more it is limited, in my opinion, the better for the country, and the better ultimately for the parties concerned.

5573. Then you would not advise the taking off any restrictions at present existing upon Joint Stock Banks?—Unquestionably not; I should rather recommend an increased restriction upon them.

5574. What is your opinion of the effect of the Branch Banks of the Bank of England?—I have considered that the Branch Banks have been a material protection to the country, enabling it to slide gradually into a state of depression and extreme distress, which must have occurred suddenly and much more terribly had it not been for the assistance of the Branch Banks.

5575. Is it your opinion that, assuming that the reverting to the ancient standard was an evil, the Branch Banks have enabled the country to come into that state with greater ease than it would have done if the Branch Banks had not existed?—I must beg leave to answer that in a guarded way. I do not think the Branches have enabled us to accomplish that object. I do not think we are yet one-tenth part of the way to that object; but I am sure the Branch Banks have prevented a great explosion of our monetary system years ago.

5576. You

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5576. You conceive that the Branches of the Bank of England have facilitated the progress of the country to the standard?—Yes.

5577. In what way do you conceive that they have so operated?—By administering very large masses of circulating money into channels directly acting upon industry and credit.

5578. When you say circulating money, do you mean Bank notes and bullion?—Both.

5579. In what manner have they effected that object?—I have no knowledge of the extent of the issues of the Branch Banks; but I know they are large at Birmingham, and at many other places are exceedingly extensive; in fact, I know that but for their discounts the whole of our neighbourhood, all the manufacturers, and all the merchants generally speaking, must have been exposed to much greater difficulties than they have endured. I am unwilling to say the extent to which those difficulties would have gone, because it is painful to reveal the true situation of one's neighbours, and we get blamed for it.

5580. Have they effected this object, of giving an increase to the circulating medium of Birmingham, by the facility of discounts, or by discounting bills at a lower rate?—In no other way than by increasing the facility of discounts, thereby keeping up, not only the mass of circulation acting upon industry and credit, but also keeping up the confidence of our Bankers.

5581. How have they increased the facility of discounts?—By discounting generally all the best bills that exist in the neighbourhood, none of the bad ones, and none of the difficult ones, which are the weak points, and which require assistance.

5582. Would not the Country Bankers existing in Birmingham before have been very ready to discount those good bills?—I have no doubt that they would, but the distress would have been so great that they would neither have had the power under that issue nor the will; as it is, they have got all the bad bills left in their hands, and all the locked up debts, all the dangerous and doubtful and difficult affairs are left as legacies of ruin in the hands of the old Bankers. The Joint Stock Banks and the Branch Banks take away all the best of the business.

5583. Is not that injurious to the private Bankers of Birmingham?—The Joint Stock Banks are exceedingly injurious. The Branch Bank I am not prepared to say is injurious.

5584. If the Branch Bank takes away a large portion of the good bills from the Country Bankers, does not that injure the Country Bankers?—Very much so; but under the circumstances of the country in the last seven years, that very fact has proved a great assistance to the Bankers.

5585. Has it brought down the rate of discount?—I never heard a merchant complain of the rate of discount, because banking accommodation is too valuable and too important to make it of any consequence whatever, whether he pays five per cent or ten per cent.

5586. Has the effect been to lower the rate of discount?—I think not; I do not think any of the Bankers in Birmingham discount lower than they did during the War.

5587. What was the rate of discount previous to 1825?—Five per cent, and 5s. commission.

5588. Was that upon loans or upon good bills?—Upon good bills.

5589. What is the rate of discount in Birmingham at present?—The same.

5590. Does not the Branch Bank discount at four per cent?—Yes, and that draws the good bills. The Branch Bank take none but the best bills.

5591. Then, in point of fact, the effect in Birmingham has been to lower the rate of discount upon bills one per cent?—Yes, so far as concerns the bills discounted by the Branch.

5592. Then you would not recommend any measures to be taken to check the Bank in establishing Branch Banks in the country?—I should wish more Branch Banks to be established in the country, provided their dealings were confined to the Country Bankers; then I believe a real Country Banker would never again stop payment in England.

5593. That is to say, provided the competition of the Branch Banks with the Country Bankers was withdrawn?—Yes.

5594. Why should there be that distinction drawn between the Bankers and the Merchants in the country, when no such distinction is drawn between the Merchants and Bankers in London, the Bank of England in London discounting

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as well for Merchants as for Bankers?—The system is so dove-tailed in the habits of 100 years, that it is difficult to say how habits grow up; in London one set of habits have grown up, and in the country another, and a system which is healthy after 100 years operation in London, may be exceedingly unhealthy if applied to the great difficulties and embarrassments that exist in the growth of 100 years throughout the country.

5595. Do you mean that if the Branch Bank had not been at Birmingham, all the inferior bills, which the Bankers now take, would have been rejected by them?—I think they would; I think if the Bankers had had the good bills brought to them, they would have rejected the bad ones, and the bad ones would have increased the great mass of misery in the country.

5596. Does not the Bank discounting at a lower rate to Bankers than they do to merchants, give an opportunity to the Bankers of discounting at the same rate to the Public?—I am not aware that the Bank of England discount with the Bankers at a lower rate than with merchants; certainly not in the country, it is only so where Bankers do not issue their own notes, and then only to a limited amount, taking from the Country Banker his bills, which are left in the hands of the Bank of England, who may turn round upon him at 24 hours notice, and cause his ruin.

5597. Are there any instances with which you are acquainted, of the Branch Banks suddenly turning round upon a Banker who has been in the habit of discounting with him, and refusing to discount any of his bills?—I never knew of one within my own knowledge; I only know that they possess the power of doing so, which is of itself sufficiently terrible.

5598. Is that, in your opinion, a sufficient objection to the Country Bankers receiving that kind of accommodation from the Branch Banks?—I think it is a much greater evil than the one per cent saved is a benefit.

5599. Do you think it would be any advantage to the Country Bankers, or to the Public, if they were allowed to pay their notes in Bank of England paper?—A very great advantage, I think, to the Public.

5600. Will it be necessary to make Bank of England notes a legal tender, generally, in that case?—If they were made a legal tender from all persons but the Bank of England, I think it would give unbounded satisfaction to the country, and be perfectly safe.

5601. In what way would it be advantageous to the Public?—I think much more confidence would be exhibited among all classes of tradesmen, and much more industry employed beneficially.

5602. Would it be advantageous to the Bankers also?—I think it would.

5603. In case of a period of Panic, what would be the effect upon the population at a distance from London in such a case?—It would be a vast protection to the Bankers and to the Public, in such a case.

5604. Though it would be a protection to the Bankers, would it not deprive the inhabitants of the country of the power of acquiring coin, in order to make their payments?—I think not, I think they would send their Bank notes to London very readily, and they would get gold in the course of three days; and I think it would give dissatisfaction to no human being.

5605. Do you think that every small holder of Bank notes in the country would in that case send his notes to London; do you not think that there would be, as there are in France, money changers, who charge an agio for converting Paris bills into cash, and that in times of Panic there might be a considerable discount charged upon the exchange of Bank notes?—I think no panic could ever arise towards the notes of the Bank of England, in the present state of the public mind.

5606. Have you never known any instance in which persons have wished for gold in preference to Bank of England notes?—Not from panic.

5607. From what cause?—For the purpose of exporting gold, or of hoarding it.

5608. Have you never known it from any other cause?—I never knew a desire of getting Bank notes converted into gold for any purpose, but either for that of exportation or of hoarding; they never prefer gold to Bank notes in any other case.

5609. What do you call a political excitement, with a view to distress the Government?—That is hoarding.

5610. Is it not the nature of a Panic to be vague and undefined, and, without reasoning much upon whether the Bank of England may ultimately be solvent or not, to desire to convert the paper into gold?—I believe that 99 men out of 100 throughout

throughout England, at present believe the Bank note to be a legal tender, like the sovereign.

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5611. If that is the general belief, what should have induced people, during the late political excitement, to endeavour to convert their Bank of England notes into gold?—More a political object than a fear of loss; no fear of loss, certainly.

5612. Could they believe that a Bank of England note was a legal tender, when they were generally aware of their power of converting the Bank of England note into gold, and exercised that power?—The better informed men of course knew; the merchants and manufacturers of London of course know that the Bank note is not a legal tender; they know it now, but they did not know it during the Panic of 1825.

5613. Did not this Panic in May last extend to small traders and working people?—The real object of that run was, first, political men were displeased, and they said, We will do all the mischief we can by the legal means in our power; the second object was, that every man was alarmed, and thought that society was going to break up, and he thought he would have a few sovereigns for protection, thinking that the Bank notes would be worth nothing in a general stoppage.

5614. Does not that prove the very point, that at particular periods panic does extend to the mass of the people?—The effect of a drain upon the Bank of England certainly may be occasioned in the present state of the law.

5615. Supposing the Bank of England note was made a legal tender by Country Bankers, how would you provide with a smaller currency in the country?—I see no hope of doing it whatever, but in the Bank of England making 1*l.* notes.

5616. Would not the necessity which the Country Banker must in all cases be in, of paying broken sums in less than 5*l.* make it necessary for him to pay a certain quantity of sovereigns in exchange?—I think it would render it necessary for him to have either 1*l.* Bank of England notes, or to be compelled to pay sovereigns.

5617. Might not they be allowed to pay in Bank of England notes in exchange for their liabilities, although there were no Bank of England notes under 5*l.*?—Undoubtedly.

5618. As the Country Bankers at present are not allowed to issue notes below 5*l.* why would it be necessary, in order to enable them to change those notes for Bank of England paper, that the Bank of England should issue notes below 5*l.*?—I should think it dangerous to make Bank of England notes a legal tender from the Country Bankers, without making them a legal tender from all other persons at the same time.

5619. What necessity would there be for having notes of a smaller denomination of the Bank of England, in order to enable other persons to take them as a legal tender?—I think that the probability is that the prosperity consequent upon this change would be such, that it would raise the prices of manufactured goods, and turn the Exchanges ultimately against us.

5620. Do you apprehend that the making Bank of England notes a legal tender, would have the effect of turning the Exchanges against us?—I think it might be expected to do so in a few years; I think it would increase the facilities of accommodation, and the circulation of money, and prices of commodities, and the prosperity of the country.

5621. In what way would it increase the facilities of accommodation?—The Country Bankers having Bank of England notes made a legal tender, would keep a less quantity of sovereigns, and would throw them into circulation, and they would feel a greater degree of confidence in their own minds; and I think merchants and manufacturers generally would feel a greater degree of confidence, and I think the demand for Bank of England notes in the country would be materially lessened. I think the Country notes would wage a kind of war with them to a certain extent, and an increase of Country Bank notes would take place under their protection.

5622. Why should Country Bankers feel an increased confidence in consequence of being able to pay their notes in Bank of England paper, would they be able to procure Bank of England paper on cheaper terms than they are able now to procure sovereigns?—In no other way, except in their mental operation upon confidence and credit; I think it would act upon confidence and credit so as to increase the circulation of the country and the prices of property.

5623. Is it not the fact that the Country Banker could not acquire 1,000*l.* of

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Bank of England notes unless he gave security worth a thousand sovereigns?—True, and he can now convert his Bank notes into sovereigns if he wishes it, as he could then; still I think the making the Bank of England note a legal tender would have a great effect upon credit and confidence and prices in the country.

5624. If, then, the effect of this measure would be to turn the Exchanges against us, would not that produce a draft of bullion from the Bank of England?—Certainly.

5625. If it produces a draft of bullion from the Bank of England, do you think that that draft of bullion from the Bank of England would be permanent?—It would continue till it brought down prices again to their present level, or rather lower.

5626. Do you think it would be an advantage to the country to produce that fluctuation?—I think even a temporary prosperity is better than certain ruin.

5627. Would not that temporary prosperity, if it were to produce such a reaction as you describe, produce as certain ruin as you think would take place in the present state of things?—I am not certain that it would produce that re-action, because an increase of paper credit, and a greater confidence consequent upon its operation, would occasion a rise of prices throughout Europe; for, the nations being relieved from the extreme pressure they now feel, would certainly raise the prices of their manufactures; and the quantity of bullion thrown out of England, perhaps one half of what now exists in England, would produce so much prosperity in foreign countries, that it would also assist in elevating their prices, and in enabling them to consume at high prices our manufactured goods in the same way as they do now at low prices.

5628. In what manner would a rise in the price of the manufactures which foreign nations buy from England be any relief to the foreign nations?—The foreign manufacturers being relieved from the extreme pressure of the English cheap manufactures in their markets, would immediately raise the price of foreign manufactures, and foreign nations receiving a mass of our bullion would have the means of paying those high prices, and of giving higher prices for English manufactures.

5629. Do you suppose that the mode in which foreign nations would receive this mass of bullion would be in consequence of the Exchanges being against this country?—The balance of Exchange or the balance of trade being turned against this country, would certainly carry out a part of the bullion; I am not sure that it would carry out so great a proportion as to create another fall of prices.

5630. Do you know what was the state of the prices abroad last year, at the time when gold was leaving the country, and the balance of trade consequently against us?—A great depreciation of price, all over the Continent, in manufactures.

5631. And therefore the export of a quantity of bullion from this country to the Continent had not the effect of raising prices upon the Continent?—Not immediately, but in the course of a few years it must have that effect.

5632. You have stated, that the consequence of making Bank of England notes a legal tender every where except at the Bank of England, would be to raise prices, and to turn the Exchanges against us; is it not a necessary effect that in raising prices and turning the course of Exchanges against us, gold will be exported instead of manufactures, the effect of which would be that the want of a market would be felt by the manufacturing districts, and consequently the very circumstance you speak of would diminish our foreign trade?—Until the price of our English manufactures fell again; but I beg to observe that I think it highly probable that the additional consumption of English manufactures at home would more than make amends for any diminution of consumption of English manufactures abroad; and I think half the quantity of English manufactures abroad sold for fair prices, are better than a double quantity sold at ruinous prices.

5633. Do you mean to say that when prices at home rise, there would be an increased consumption of those articles?—Unquestionably.

5634. Is it not the case that when prices rise, the consumption of them is diminished?—Certainly not; when general prices rise by an increase of money, I consider that the consumption is unquestionably increased; if general prices rise by any famine, or any deficiency of production or of supply, then the consumption diminishes; but if general prices rise by a general increase of money and of credit, the consumption increases.

5635. Is it not the effect, that when prices rise in consequence of an altered value of money, some period elapses before the price of labour is raised in proportion?

portion?—I think the price of labour, if the money is judiciously increased, rises first.

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5636. You have stated that this rise of prices would continue, until, by the Exchanges being turned against us, the currency was reduced and the prices fell; would not, then, the effect of the measure you contemplate be to occasion the very fluctuations in price which you deprecate?—I should hope that when such a happy state of things should ever again arise in England, as to have a state of prices which would preserve the reward of industry and the employment of labour, that is so great a blessing, the first blessing of civilized life, that I should hope the Legislature would then pause before they suffered the course of Exchange to arrest that general happiness, and bring on a general misery a fourth time.

5637. Is it your meaning that when the Exchanges fell, and there was a demand for gold for export, you would have the Legislature interfere in order to prevent the Bank of England from making its payment?—Unquestionably; and my reason for wishing this state of credit to be restored is, that I think we are now in a very miserable and dangerous position; but if ever we should get into a state of prosperity and comfort again in this country, and should find that prosperity slipping from under our feet by the Course of Exchange, Government may then interfere by an Order in Council with safety.

5638. Does not the plan you suggest lead ultimately to unlimited depreciation?—I think not. A depreciation of money equivalent to 10s. to a bushel of wheat, is all I should think necessary in times of plenty.

5639. Then what you propose as the new standard, is not gold, but a definite quantity of wheat?—If we must have a gold standard, which I think by no means suitable to our artificial state of society, I should think it wise and prudent to adopt such a standard as would preserve such a plenty of money as should keep the bushel of wheat at 10s.

5640. Is not that equivalent to making the standard of value, not gold but wheat?—It certainly has a tendency to bring in new principles in aid of the ancient standard, or rather it creates a new metallic standard of value.

5641. Would not those principles entirely subvert the ancient standard?—I think they probably would.

5642. Then is the reason why you are in favour of this alteration of the system, that you think it would render it absolutely necessary, when this temporary rise of prices was over, and the Exchanges were turned against us, and a consequent run took place upon the Bank, for the legislature to interfere in order to enforce a suspension of cash payments?—That is one reason; also I think we should restore prosperity by those means, and give contentment to the public mind; and then having done that, if this contingency should arise, we should be in a condition either to force the country again into a state of misery and anarchy, or to make an Order in Council upon the Bank of England, and cast anchor upon a new metallic standard, or upon a limited circulation of Bank of England notes. I have no idea that we can possibly exist as we are now going on.

5643. Does not the power of consumption depend upon the quantity of commodities produced?—Yes; I think the quantity of consumption depends almost entirely upon the process of production.

5644. How would any alteration of the monetary system affect the power of production?—By calling every labourer and workman in the Kingdom into full employment, by giving him full wages, and by enabling him to consume masses of all other commodities annually, equivalent to the masses which his own labour produces.

5645. Will you have the goodness to state the way in which you would arrive at that result?—I consider that consumption is solely occasioned by the process of production, I consider consumption the sole effect of production, which effectuates in its very process a consumption equivalent to its own products; and if any difference occurs, the surplus is national wealth.

5646. Do you consider, then, that an increase in the circulating medium of the country increases the power of production?—Undoubtedly, and of consumption equally.

5647. Do you mean permanently, or merely while the nominal amount of the prices is on the rise?—Permanently; just the same for 100 years as for one.

5648. Will you explain how?—The prices of property being raised by an increase of the circulation, a reward is obtained in the production of every article of industry, and that reward calls all labour into full employment. The productive

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powers of the nation being thus put upon the full stretch, a greater mass of annual wealth is thus produced, and in the very act of the production of that additional mass of commodities and wealth the consumption of such additional mass is itself effected either in the shape of wages, profits or taxes.

5649. If depreciating the currency has the effect of raising the prices, in what way can you at the same time increase the ability of the purchaser of those commodities; is it not finally an exchange of two articles, and with respect to the standard which gives nominal value to it, does it matter whether that be altered or not, seeing that the two articles must be exchanged?—Very seriously indeed, because one is an exchange at prices which cover the burdens of industry and insure its reward, and the other is an exchange at prices which ruin each party.

5650. If the wages of labourers be raised in this way, are not the articles of consumption raised just in the same proportion?—All the difference is, that in the one case the labourers have high wages to purchase commodities at high prices, in the other case they have low wages to purchase commodities at low prices, with this difference, that when low wages come, the taxes and the rents which those workmen pay are not reduced in proportion, and their labour is less in demand. I have one particular instance in my eye at this moment; I live in the midst of about 50,000 nailers, within 20 miles of Birmingham; their wages have fallen since the War from 16s. to 8s. a week, with the same machinery and the same labour; now the rent of their cottage and workshop has not fallen one farthing; it is 3s. per week now as it was during the War; therefore they now get 5s. per week applicable to the purchase of food and necessities of life, where they formerly got 13s. per week applicable to that purpose.

5651. Probably the same state of things exists in all branches of the iron trade?—In every branch of trade in England, I believe.

5652. Have there not been peculiar circumstances which have affected the price of iron?—Unquestionably not; the general contraction of the currency is the sole cause of the depreciation of the iron trade.

5653. Was not the iron trade, in all its branches, for many years a very profitable trade?—Like all other trades in England, it was so for two or three years together.

5654. At that period were not large masses of capital invested in iron works in consequence?—Not more than are being invested now, for it is a very curious fact, that the very distress of trade increases the production of some particular trades in two ways, first, workmen work harder in consequence of the fall of their wages, and second, the capitalists, in their struggles to avoid ruin, increase their productions. In the iron trade, for example, if they have two furnaces, they will build another furnace, because the loss upon the two furnaces is 10s. per ton, but if they add a third furnace to it, the loss will upon the whole be reduced to 5s. per ton; and nothing is more common than for manufacturers to increase their establishments at the very time they are upon the road to ruin.

5655. Has capital been invested in your neighbourhood lately?—Within the last five or six months, when the iron masters and manufacturers generally are all going to ruin, and are in a state that I do not like to describe, because we all feel the painfulness of it; they are many of them still enlarging their works, not to partake of profit, but to prolong the path to ruin, by diminishing their general charges.

5656. In that case, of course the depression of trade bears much heavier upon those who are not in a condition so to augment their works?—Much heavier.

5657. Must not that be one principal cause of the distress that prevails with you now, and is it not very much confined to that class of people?—It is not confined; the distress is like the atmosphere, amongst all the working classes and trading classes in England.

5658. Do you mean without exception?—I say without exception, although I know that extreme difficulty exists in getting at this truth, for I myself feel great pain in stating it; but my opinion is, most decidedly, that all trade in England has within the last seven years been carried on at a positive loss, except where speculators have now and then made a profit.

5659. And you think that the effect of that distress has been to increase production?—In some trades, unquestionably.

5660. How is that consistent with an answer you gave, that you thought that all consumption depended upon the increase of production, and that the increase of production would tend to the prosperity of the trade?—The wages of the labour
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of the unhappy labourers are paid at half the price; the consequence of which is, that though they work 16 hours a day in some trades, they do not get so great a reward in exchange as when they worked twelve hours a day.

5661. Then you do not think that the increase of production alone will tend to the prosperity of the country?—Not unless it is at high prices, it is the plenty of money that makes prosperity.

5662. Then a plenty of money, raising the profits of the people, is what you think is to increase the prosperity of the country?—Unquestionably, I believe nothing else will do so; I mean by that, not a wild increase of money, but such an increase of money as will be sufficient to raise the prices of property and labour above the level of the fixed charges which the law and the habits of the country impose upon production.

5663. Is the production of the country greater or less than it was seven years ago?—In some instances it is greater, but in others it is less. It is greater by the inordinate toils of some classes of men, and less by the total want of employment, and the state of half employment, of other classes of men.

5664. In the aggregate should you say that it is greater or less?—It is less. The aggregate productions now I consider are less than they have been the last seven years.

5665. Do you think the aggregate capital employed in production is less than it was a few years ago?—I think there is little or no capital employed in productive power now, the capital is annihilated, considered as money.

5666. Can there be production, without capital employed in production?—The capital is annihilated; it consists of brick and mortar, machinery, and engines, which are almost worthless. I know one case of a cotton mill, which cost, seven years ago, 35,000 *l.* that was sold by auction a fortnight ago for 5,000 *l.*

5667. Is the food and raiment annihilated with which the labourer is maintained?—The capital I consider to be the buildings, and machinery, and dead stock, and implements and tools. I know a case in Birmingham, of valuable tools and implements of a brass foundry, which cost seven years ago 1,560 *l.* which sold a few weeks ago for 125 *l.*

5668. Do you mean to say that the buildings and implements for producing the manufacture are not in existence?—They are in existence, but they are worth almost nothing at all.

5669. Within what period do you consider that the capital invested in manufactures has been annihilated?—In the last seven years.

5670. Has there been no fresh capital invested in manufactures?—No, except in the manner I have described, in the desperate struggles of men trying to escape from ruin.

5671. You consider, then, that no capitalists have invested their capital in manufactories with a view to productive returns within the last seven years?—I am certain of it.

5672. Is there any increase in the cotton manufacture within the last seven years?—The destruction of one man makes a rise of another. In some cases, in the cotton trade, immense mills have been sold or let for a fifth of their value; and out of that destruction a new tradesman, coming in unshackled, sometimes contrives to exist, but not to make a profit.

5673. Does not a branch of manufacture sometimes establish itself in a new part of the country, to the very serious injury of property in places where it formerly existed?—I have known nothing of that kind within the last seven years. I see every one shrinking from manufactures; every one that can draw out one-tenth part of his capital gradually does it, but I have seen no determination of capital into any trade within the last seven years; on the contrary, I have made it a point within the last seven years, of asking the question, and I am sure I have asked it of a thousand well-informed tradesmen, whether they knew of any branch of industry existing in England, in which a prudent man of industrious habits, with 10,000 *l.* in his pocket, and of competent knowledge, could be justified in embarking his capital; and I have never met with but one single instance in which that question has been answered in the affirmative, and that single instance was a Manchester gentleman; and when I came to cross-examine him, he broke down.

5674. You have stated that the fixed capital of the country is absolutely annihilated?—Yes, I consider it so, as convertible into money.

5675. You have stated also, that in many instances capital has changed hands?—Capital which was worth 100,000 *l.* has fallen in some cases down to 5,000 *l.*;

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that 5,000*l.* get into new hands, and enables the new man to carry on the machinery and the trade till another failure drives him to sell it for 2,000 *l.*; and so there seems no limit to the depression in progress.

5676. When do you consider that process commenced, of the destruction of capital?—In the autumn of 1825. It commenced in the first place in 1816, and then it was changed in 1817 and 1818; then it commenced again in 1819, and went on till 1822; and then it changed again, and prosperity came till 1825.

5677. Do you apprehend that since 1819 the wealth of Birmingham has been diminished?—Most seriously. I do not believe the wealth of Birmingham is an half what it was prior to 1816.

5678. Do you think that the consumption of articles of luxury in Birmingham has decreased very much during that period?—Terribly, in the last one or two years, but perhaps not in the last twelve years.

5679. Supposing the case to be that the number of two-wheeled carriages has doubled in amount since that time?—Fashion and extravagance are eccentric things. The roads have been wonderfully improved by macadamization, and luxury increases beyond any thing, and education increases beyond any thing, which leads to an increase of expense; and I am sorry to say that at Birmingham, for the last fifteen years, every man seems to me to have increased his expenses at a time when I positively know his fortune has been diminishing..

5680. If in other articles of expense there has been a great increase, in servants for instance, and in four-wheeled carriages, you do not think that proves any thing as to the comfort and wealth of the inhabitants of Birmingham?—Certainly not; there is no wealth and no comfort there, and there is no safety amongst manufacturers or merchants, but they will perhaps not acknowledge this.

5681. Do you call improved roads an increase to the capital of the country?—Yes, but I consider the improved roads have grown out of the poverty of the labourers, that the parishes have generally been obliged to employ them in breaking stone for the roads.

5682. If there is this increase of luxury in Birmingham, and this increase of expense, and at the same time the capital and the means of the parties have diminished in the extraordinary way you have stated, how have they been enabled to carry on this additional expense?—A vast number of them have been totally ruined.

5683. If there has been this increased consumption during the last sixteen years, and during all that time the poverty of Birmingham has been increasing, must not the supply of capital to meet that consumption have been provided, if not by Birmingham, by some other parts of the country?—Certainly not; it was an accumulation of the industry of the War.

5684. Do you anticipate that the consumption of articles of luxury will go on increasing in the manner it has done for the last 16 years, or that it will diminish?—It is impossible it can go on increasing, it must diminish most painfully, if the present state of the country continues.

5685. Should you not think that if during a period of 16 years the capital of Birmingham has been constantly diminishing, the power of consumption must have been exhausted at a much earlier period than it appears to have been doing, if they were living upon the savings of the previous period?—There is a vast influx of capital and population, from all parts of the country into the great towns, Birmingham amongst the rest.

5686. Then you do admit that some other parts of the country have supplied capital?—Not for manufacturing purposes, but to build houses and reside there; people come from the distant villages, country gentlemen, and little capitalists, who live upon their annuities and their incomes, and they build houses and rent houses about Birmingham.

5687. Is not this a proof of the influx of the means wherewith houses and furniture are to be obtained, which means are commonly called capital?—It is in that way that our population has been mainly employed in the last ten years, by the building of houses for the new population to occupy, for small capitalists to reside in.

5688. Do you think the increase of small houses for persons of small fortune to reside in, is a proof of the increase of poverty in Birmingham?—Half of them are built, to my knowledge, by insolvent men, who fail a year or two after they build them.

5689. Who supplied the capital to those insolvent persons?—The creditors of the insolvent.

5690. Where

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5690. Where do those creditors reside?—Principally in Birmingham.

5691. Then it appears that those persons who supply capital to those insolvent people, are natives of Birmingham itself, and therefore the larger portion of the capital for building those houses has been supplied by Birmingham itself?—Undoubtedly.

5692. If there has been a capital accumulated in order to build this large number of houses, which has encouraged a number of persons to come and live there, is not this a proof of there having been profits of trade to that extent in Birmingham?—Unquestionably not; those profits were made solely during the War; there have been no profits since the War, in Birmingham, by any regular industry whatever, except perhaps in the building of houses, which has been so extensive a trade that I am not willing to say there has been no profit made upon it; I am sure there has been no profit upon any regular Birmingham trade in the last seven years.

5693. You stated that when there was a fall in the value of money, a reward was obtained for production, which called labour into employment, and that the productive powers of industry were then put upon their full stretch; would not the effect of this be to occasion a much greater mass of commodities to be produced, and in the end to produce a corresponding fall in commodities?—I think not.

5694. Did you ever know a case of the productive powers of industry being put upon a full stretch, with a considerable rise of prices, which was not followed by a corresponding fall, and mercantile distress?—Unquestionably; there would have been no fall in 1825, but for the contraction of the currency; the consumption of Birmingham goods and Manchester goods in 1825, at high prices, was much greater than it is now at low prices.

5695. Did you ever know an instance of a high excitement taking place, and the productive powers of the country being put upon their full stretch, when it did not occasion a large quantity of commodities to be produced, and that to be followed by a corresponding fall and mercantile distress?—It will occasion a large quantity of commodities to be produced, but it will not occasion a corresponding fall, the production of commodities being only affected by accomplishing an equivalent consumption, either through the medium of wages, rents, profits, or taxes; I mean that we do but facilitate and increase consumption in every process of production. If we put a million extra in operation in the iron trade in one year, we produce one million of extra iron in one year more than is now wanted; but most certainly in so doing, we accomplish the consumption of one million more of beef and beer, and other commodities, which the labourers receive and consume; and if such action upon the iron trade is made general upon all trade, the increased production of all trade, and all agriculture, consumes the one million of extra iron, and the machinery of society works beneficially and harmoniously.

5696. Then you think that in that case the increased quantity of manufactures that has been produced, is taken off by internal consumption?—Unquestionably.

5697. Do not taxes raise the prices?—No, I believe not; nothing raises prices but the action of money, either real money or credit money; in fact, nothing raises the prices permanently, but increasing the money in peoples pockets, and facilitating the consumption of the country.

5698. Then do you think that the more you depreciate the currency of the country, the greater power of consumption you have?—Till every labourer in the kingdom is fully employed. I have no doubt of the truth of that.

5699. What, in your opinion, forms the fund for the employment of the labourer?—The circulating medium constitutes the fund.

5700. Do not you consider that capital alone forms the fund of labour?—I hardly understand what is the meaning of capital.

5701. Do you consider that the circulating medium is capital?—I understand by capital generally, all money, all land, all houses, and all property of all kinds.

5702. Do you not consider capital to be property of any description which can be employed in production?—I call that capital.

5703. Do you call food and raiment capital?—All the good things of life I call capital.

5704. If the definition you have given of capital be correct, and capital be a

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fund for labour, how does the circulating medium, which is not capital, tend to increase the fund for labour?—The circulating medium is the organ which converts the capital into the uses of the country; I would beg to explain it by representing a draft board, which contains perhaps 1,000 masses of commodities, a mass of iron, a mass of wheat, and a mass of clothing, &c.; this is the division of labour in England. The possessor of the iron cannot feed himself with iron, the possessor of the bread cannot clothe himself with bread; but these mutual masses of mutual wealth derive their convertibility into men's uses solely from the action of the circulating medium. If the circulating medium is equal to the duty of covering a range of the prices of those masses equivalent to the taxation, and the wages, and monetary burdens which the habits of society impose upon their production, and also equivalent to leave a moderate profit to the producer above those charges, then the interchange of those commodities for each other, and for labour, or rather the convertibility of those commodities, is ample and efficient; each possessor of iron is enabled to exchange his mass of iron for such proportions of the masses of all other commodities as his wants, or those of his workmen or dependents may require; but if the circulating system becomes contracted by any means so as to break down the prices of those commodities within the range of the fixed monetary taxation of many kinds which habit and law charge upon them, then the machinery of convertibility is destroyed, and those masses are inconvertible into the uses of man, and they exhibit the terrible phenomena which we now witness, of a country in the midst of abundance and poverty at the same time; in other words, as I have often expressed it, the country appears like flies in a sugar bottle, destroyed in the abundance of their own sweets.

5705. You have explained the manner in which the circulating medium operates as a mere exchange between different commodities, you have stated also, why a depreciation should relieve parties who are already burthened with fixed engagements from some portion of those fixed engagements; but will you state how you consider that an augmentation of the circulating medium, carrying with it a depreciation of the value of money, can add to the power of production or of consumption; if, for instance, the circulating medium be in such a state that one pair of shoes exchanges for 1 s. and one hat exchanges for 1 s. and if such a depreciation of the circulating medium takes place as that one pair of shoes shall be worth 2 s. and one hat shall be worth 2 s. how is the producer of the hat to be able to consume more shoes than before, or *vice versa*?—In this way: the producer of the hat selling his hat for 2 s. instead of 1 s. finds the pressure of his fixed charges thereby broken down and reduced; he finds also a great profit in his trade; he puts his men in full employment, and puts his monetary capital in full operation and his credit; as fast as he produces a hat which he sells for 2 s. he or his workmen expend that 2 s. either in the purchase of shoes or some other commodities; and this action being general upon all the productions of industry, the whole industry of the country becomes liberated from its thralldom; every trade has got a reasonable profit, and every labourer is brought into beneficial employment.

5706. If the producer of the hat can only exchange his hat against one pair of shoes, or against exactly the same amount of other commodities that he had before, will you state how his profits could be increased?—If he can only sell his hat for the shoes, the mere elevation of price would probably not be a great benefit, because he would have to pay in his purchases as much money as he receives in his sales, still his industry would be liberated, and he would have a profit, because the fixed charges which law and habit impose upon his trade, now being reduced, would leave a great proportion of the products of industry in his own hands; at present, the products are carried off from the producer's hands.

5707. Then you consider that he would get no increase of profit except such as arose from the diminution of his fixed charges?—And his industry being set free, he would have a beneficial employment for it.

5708. Then the liberation of his industry will be dependent upon the diminution of the fixed charges?—I beg to explain: in case of his selling the hat for 1 s. instead of 2 s. I presume that it would be a very ruinous trade; supposing the fixed charges probably to be 10 d. or 11 d. upon the hat, of course his business stagnates and is ruinous. Now if there is a rise of price to 2 s. and the fixed charges remain still fixed, they leave him a profit, the consequence of which is, that he immediately produces more hats, and has a beneficial trade; the shoemaker feels the same

same action upon his trade, and the thing resolves itself into a greater proportion of industry being employed beneficially.

5709. Has not that just the same effect as a reduction of taxation without any change in the value of the circulating medium?—I have not been able to see any great good done by the reduction of taxation yet; although I am a great advocate for such reduction, I think that in every step taken in the last fifteen years, in the reduction of taxation, as we have reduced the taxes we have increased in misery. Taxes are more or less oppressive in proportion to the quantity of money in circulation.

5710. Have you considered the principles on which the Bank of England ought to conduct its management of the issue of notes?—I do not like to give an opinion about the Bank; but it acts upon principles which the law imposes, and I cannot see how it can act otherwise than it does act now.

5711. Is there any alteration of the law with respect to the Bank of England, which you would suggest?—I should suggest that when the circulating medium has become efficient to employ the industry of the country, at a period when the gold goes abroad, the Bank should increase its notes to fill the place of the gold, and then we should have no depression of prices.

5712. You would do that upon the understanding that that would lead to a Bank restriction?—It is highly probable, but not certain.

5713. Supposing the Bank do not calculate upon coming to a Bank restriction, is it not necessary for the Bank to regulate their issues according to the Foreign Exchanges?—Unquestionably they must, or else they must stop payment themselves.

5714. Do you think that increase of taxation would restore prosperity to the country?—Unquestionably not.

5715. But yet you consider that the diminution of taxation which has taken place in the last fifteen years has done mischief?—I do not say that it has done mischief, but it has given very little relief to the country, the great evil we laboured under not being the weight of taxes, but the thralldom of our industry.

5716. Does taxation diminish consumption, in your opinion?—I am inclined to think not. I think that if we took 30,000,000*l.* off from our taxation, we should reduce the present employment of labour 30,000,000*l.* at least; the taxes might be increased to double their present amount, and the country not suffer one-tenth part of what it is now suffering.

5717. Does it not transfer the consumption from the industrious man to the person that lives upon the tax?—Unquestionably, all the taxes are left as a charge upon industry.

5718. Therefore it may leave the aggregate consumption of the country the same, but it would diminish the consumption of the industrious man, and transfer it to the man who lives upon a fixed income?—I think a sudden reduction of taxation of 20 or 30 millions would not only throw 20 or 30 millions of labour out of employment, but I think it would act collaterally upon the industrious classes so as to do to them still more damage for a short time.

5719. Would it not diminish the production of articles consumed by the persons living upon fixed incomes, and occasion a consumption on the part of the labourer to the extent of the tax reduced?—On the contrary, it would reduce the consumption of the industrious classes for perhaps one or two years by its collateral action upon credit, confidence, and trade.

5720. You have stated that in your opinion taxation does not affect the power of consumption?—The present taxation is employed in absolute consumption, it is all employed in the maintenance of labour in one shape or other.

5721. Then you think that taxation increases the powers of consumption?—To a certain extent, at present.

5722. Is not taxation one of the fixed charges to which you alluded just now as bearing heavily upon the country, and which, in your opinion, prevents the labourers from consuming as much as they otherwise would; how do you reconcile those two opinions?—Because the breaking down of the prices of property, without being attended with a corresponding breaking down of the charges upon production, destroys the motives for the employment of industry, and as such keeps labour unemployed.

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5723. If more is consumed, must not more persons be employed to produce the commodities which are consumed?—That is the action of the present taxation.

5724. Is not this the explanation of the effect of the depreciation of the value of money, that when a manufacturer is trading, not for money but for time, when the period of payment comes round, he pays for the raw article in a currency of less value than he stipulated for at the time when he made the bargain, and thus secures to himself a profit?—That is an effect, but it is of very little consequence to the manufacturer.

5725. Does it not tend to increase his profits to that amount, and may not the profit be very great if the depreciation is rapid?—Upon a large stock of goods the profit would be considerable in a rapid depreciation.

5726. Wherein does the profit to the manufacturer consist at times of depreciation, if not in that cause?—I consider that there would be a great profit to the holder of stocks in the action of the depreciation, but when the action of the depreciation was completed, there would then still remain the reasonable profits of industry, and the same inducements would continue to employ labour, as existed during the late depreciation of the currency.

5727. When that depreciation has reached its maximum in the following year, supposing it to be stationary, what would be the additional stimulus given to industry at that period?—The pressure of the fixed charges would not rise correspondingly.

5728. The Committee understand that as far as Banking is concerned, the only alteration that you think would be desirable, would be to make Bank of England notes a legal tender by all persons except the Bank of England?—That is the chief improvement I wish in the present system of Banking; the Joint Stock Banks are of course in existence, but I consider them injurious in every way, and beneficial in none.

5729. Have not you a Joint Stock Bank at Birmingham?—Yes.

5730. Does it do much business?—A great deal.

5731. Does it interfere much with the private Bankers?—Very much; the Country Bankers having, during the fluctuations that have existed in the last 15 years, stood in the position of borrowers on the one hand and lenders on the other, they have at each period of the three great fluctuations been as it were guarantees between the debtor and the creditor interest of the country, and forced to make good the engagements of the debtor to the creditor at a time when, at three different periods, the burthen of debts has been nearly doubled; the consequence of this painful and urgent position of the Bankers has been to expose them all, without exception, to very great injuries and losses; it has likewise been to expose them all to a great number of difficult entanglements and locked up debts; the means of supporting those entanglements and doubtful and locked up debts, and the means of supporting the losses upon their capital, in a great degree arose from the masses of money which the Public have been in the habit of keeping in their hands, and also from the annual profits of their business; now the annual profits of their business are broken down and nearly annihilated; that I will call a comparative trifle; but combinations of the richer customers and the richer connexions have been engaged against them, who draw away their own balances, which were formerly in the hands of the Country Bankers, to form powerful combinations of former friends converted into bitter enemies, and these powerful combinations prevail, by the influence of numbers and of solicitation, in drawing away large masses of money from the old establishments; the consequence of which is, that the old establishments are left in a great degree with all manner of difficulties and entanglements, and the means by which hitherto they have supported those entanglements, are mainly drawn away, or are in the act of being drawn away. This is my principal reason for considering the Joint Stock Banks exceedingly injurious to the Banking system, and, through that, to the country at large.

5732. Has it come to your knowledge that since the Joint Stock Bank has been established at Birmingham, it has met with very serious losses?—I have no doubt whatever of it, though they are mainly concealed.

5733. Do you know it?—Yes, I do.

5734. Do they bear a large proportion to the profits of the year?—I do not know, it is all concealment and darkness.

5735. Is

5735. Is there any publication of their Accounts?—None, but to the Directors, who are interested in jobbing and puffing up the thing, which, in my opinion, is more illusive than any of the bubbles of 1825.

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5736. Do you think the security of that Bank, considering the number of Proprietors, is good?—I do not think it is more so than that of private Bankers, because the private Bankers have always been safe, generally speaking; I have never known an instance of scarce a farthing being lost by Country Bankers; of the Banks that stopped during the Panic, sixty out of sixty-six have paid 20s. in the pound, and the one that stopped in Birmingham has paid 17s. 6d.

5737. Would not a creditor find great difficulty in recovering from those Joint Stock Banks?—Very great difficulty indeed; I think it is a great hardship upon Country Bankers, that the Joint Stock Banks stand upon a much better footing in that respect, against the Public, than they do.

5738. Are the Proprietors of the Joint Stock Bank at Birmingham known?—They are not known publicly, except by conversation.

5739. Would it not be proper, as a security to the creditors, that the names should be known?—I think so, and that when the Proprietors retire, it should be published, as in a private Bank; they can retire now when they please, and in three years they are released from all difficulty and responsibility; whereas a private Banker cannot retire without publication in the Gazette; and again, no law-suit can reach them in less than 12 months, and during that period they may go abroad and avoid an act of bankruptcy; so that the Public are imposed upon by the establishment of Joint Stock Banks.

5740. Has there been much fluctuation in the prices of shares, and can you trace those fluctuations to any contrivances of the Directors of the Company to raise or to depress the shares?—Undoubtedly that has been the current opinion in the town, that the premiums were merely created for letting the shares go in a puffed-up way.

5741. Is there any restriction as to the power of the Directors to buy or sell shares?—None whatever, that I know of.

5742. Do they issue notes?—No, they obtain a limited power of issuing Bank of England notes at the rate of 3 per cent.

5743. You have stated that the Birmingham Joint Stock Company has met with some heavy losses; do you happen to know any instance where the loss has arisen by a loan of money either to a Director or to a Proprietor of a Joint Stock Banking Company?—I knew of several to proprietors, but not, I think, to a Director.

5744. Is it within your knowledge that the loans to those individuals in question were made upon securities upon which it would have been unusual for a private Bank to make advances?—I think they were upon very dangerous securities indeed.

5745. Do you think that the principle of the Joint Stock Banks as an universal principle to be objectionable?—I think they are all objectionable, because we have in England a long established system, which is equally efficient for every good purpose, without having any of the bad effects.

5746. Supposing that there were to be found towns of considerable trade and population, where a Bank has actually been wanted, and also districts of the country where there is a want of the conveniences of a Bank, and a want of circulating medium, and there is no disposition on the part of three or four, or five or six individuals to associate together for the purpose of establishing a Bank, under those circumstances, how would you relieve the wants of the Public?—After the destruction among Banks occasioned by the Panic, it might not be objectionable to allow in those districts of Joint Stock Banks; but I think that in other districts of the country they have been exceedingly injurious to the old Bankers, and, through them, to the country at large.

5747. Are you aware that in the town of Lancaster, a few years ago, there was no private Bank whatever?—Yes.

5748. And that a Joint Stock Bank has been established there, which has afforded great accommodation to the merchants and traders of the town of Lancaster, and been profitable to the proprietors?—I have heard so, but I much doubt it.

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5749. You have stated that the advantage of a depreciation of currency, when it reached its maximum, would be, that it would reduce the fixed charges of industry; would not this occasion a diminution in the proportion which the rent and taxes for the payment of the dividends bore to the whole amount; would not that occasion a diminution of the articles consumed by those that receive rents and dividends; and how does this agree with your former answer, that the reduction of taxation would occasion rather distress than prosperity to the country?—I do not mean to say that reduction of taxation would occasion distress permanently, but that for a few months, or perhaps years, any large reduction of taxation would increase the national embarrassment, as things now are.

5750. Must not the immediate effect of this depreciation, when it reached its maximum, by diminishing the fixed charges upon industry, be to reduce the consumption of the articles consumed by those who receive rents and dividends, and thus in the first instance to increase rather than to diminish the distress of the country?—Previously increasing the consumption of the productive classes more than correspondingly.

5751. The question refers to the effect of the depreciation when it has reached its maximum, inasmuch as it will reduce the income in the possession of those who now receive rent and dividends; would not, according to your principles, the first effect be to increase the distress of the country?—Certainly not; I allow that at the period alluded to, the power of consumption of the non-productive classes would be diminished, because they would have a limited sum of money, and the prices of property would have risen; and therefore there can be no doubt that the power of consumption on the part of the non-productive classes would be diminished, but the power of consumption on the part of the productive classes would be greatly increased; and I think that even the power of consumption on the part of the non-productive classes would not be very seriously diminished, because the retail prices of articles, generally speaking, have not fallen half so much as the wholesale prices.

5752. Would not the immediate effect be, as soon as the depreciation reached its maximum, to transfer a portion of income from the receivers of the rents and dividends to the industrious portion of the community?—Yes.

5753. And do you consider that the effect of that would be rather to increase than to diminish the distress of the productive classes?—No, my former answer was, that a direct diminution of taxation and of national expenditure effected suddenly, would throw the labour, now employed by such taxation and expenditure, out of employment, and would also throw other masses of labourers out of employment collaterally. This would be a temporary operation; and if you could only maintain the people during it, at the end of a few years the prosperity of the industrious classes would be much benefited by taking off the taxes.

5754. If the depreciation were rapid, the depreciation would soon reach its maximum, and if it soon reached its maximum, would not this distress be occasioned?—I think not; one is a healthy mode of effecting a reduction of the taxes, the other is an unhealthy mode. In the one case you give to the unproductive classes a sum of money as large as ever, which enables them at least to pay their debts and taxes; but in the case of a direct reduction of taxation, you give no money whatever for such reduction. Now the distress of the people depends a great deal more upon their getting possession of too small an amount of money to pay their debts and taxes, than it does upon the getting possession of a full sum of money which commands a reduced quantity of commodities.

5755. Putting the effect of a reduction of fixed charges aside, do you mean to say that when the reduction reached its maximum, it would increase the prosperity of the country, reducing the currency to the value of one half what it was before?—When the work is once done, there can be no occasion to push it any farther.

5756. When it has reached the ultimate depreciation, say of 10s. in the pound, do you mean to say that then, putting aside the question of reducing the fixed charges, it will be an advantage to the country?—Unquestionably; and there will be no occasion to go any farther. By leaving all the powers of industry free, every trade having a reasonable profit, would cause every labourer to be employed beneficially to his employer; and every labourer finding that his employer had a profit in his employment, would naturally obtain from his employer adequate wages for his industry.

5757. Do

5757. Do you propose when the depreciation has reached a certain point, to keep it at that point?—There might be various modes, either by establishing a metallic standard of value, or by establishing the Bank of England note as a legal tender; or by converting a mass of exchequer bills into a legal tender, or by converting a portion of the national debt into a legal tender, and limiting it so as to have an abundance of circulation without any excess.

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5758. Do you consider that so long as there exists a labourer in the country not fully employed, an increased issue of currency may be made with advantage, whatever it be?—As a general principle, I think, unquestionably, that so long as any number of industrious honest workmen in the Kingdom are out of employment, supposing such deficiency of employment not to be local but general, I should think it the duty, and certainly the interest, of Government, to continue the depreciation of the currency until full employment is obtained and general prosperity.

5759. What is your test of full employment?—It is difficult to obtain an absolute test.

5760. If you have not an absolute test to which you can refer, may not the principle you recommend lead to an indefinite depreciation, since different persons, and different ministers, and different Governments, will have very different notions with respect to what full employment means?—I think not, every one considers that full employment certainly existed in 1825.

5761. Were there no persons unemployed in 1825?—I think no honest man.

5762. Would you have the depreciation go on as the population increased?—I see no necessity for that, whether we have got the present state of population, or double its number, a just state of the currency would employ them all.

5763. Would you have the amount of currency referrible, not to capital, but to the population of the country?—I think it would have no reference to the population of the country; if the population were doubled, I think the whole might be employed as beneficially as the present number, by establishing either a just metallic standard of value, or by establishing artificial standards of value, which in my opinion are better suited to the present artificial state of our society.

5764. Can you employ more labourers in a country than you can house, feed and clothe?—The employment I consider to be the housing, feeding and clothing them.

5765. Does not the extent of the mass of industry you can set in motion in a country, depend upon the quantity of the necessaries of life you can command in order to give to the labourers?—Certainly.

5766. How could you increase the proportion of the labourers that are employed in a country, without taking away a portion of the necessaries of life from the wealthy, to confer it upon the poorer and industrious?—I think the labourers would each of them produce more than four times as much of the comforts of life as they and their families could possibly consume.

5767. When you admit that the number of persons you can employ in the country depends upon the quantities of the necessaries of life you can command, and when you state that the plan you recommend would put in action a much greater number of labourers, how could that be, unless you took away from one class in order to give it to the other?—I think the quantity of food and clothing which we can command in the country depends mainly upon the quantity of labourers whose hands and heads we can employ in producing such commodities.

5768. Supposing the population was suddenly reduced, so as to afford ample employment to those that remained, in that case would you consider the present state of our currency satisfactory?—Certainly not; I doubt whether any reduction of population would improve the circumstances of the remainder.

5769. Then you think the wages of labour to be dependent upon the number of labourers?—At present the reward of labour being destroyed, the labourers present the phenomenon of a superabundance, at a time when the labour of their hands will produce four times as much food and clothing as their families will consume they find no employment, because the organ of industry, which is money, does not exist in sufficient quantities to give the productive classes a reward in the employment of labourers; therefore the labourer in want of employment looks over the hedge upon the half cultivated farm, where the land is suffering for want

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of his labour, but at the same time the farmer has neither the profit nor the money to enable him to bring the hand and the land into contact.

5770. Do you think the retail profits have not been reduced in the same proportion as the wholesale?—The retail prices have unquestionably not been reduced in the same proportion as the wholesale; if you speak to a blacksmith, who buys his iron at one-third of the price that he bought it in 1825, he charges just as much, and he will tell you that he is doing worse now than he did then.

5771. Does it not follow that the retail profits must be higher?—If they had the same amount of trade and the same degree of competition that they had, and no more, the retail profits must be higher; but they have so many bad debts, and so much competition, and such diminished sales, that I consider they are doing worse now than ever they did.

5772. Is not the effect of competition always to reduce profits?—Competition must have the effect of keeping down profits to a healthy level.

5773. If therefore retail profits have not been reduced, must not the persons engaged in the retail trade have been upon the whole more prosperous than they formerly were?—I think their profits have been reduced, but not so terribly as the manufacturers, because they do not hold dead stock in the same way. I have stated before that retail tradesmen were never so distressed as they are now.

5774. Do you think that any thing that alters the present distribution of the income of the country would be injurious?—I do not mean to say that, but to say that any thing that interrupts the social machinery that is now in work would produce a sudden mischief, which would not be counterbalanced by the prospective benefits two or three years hence.

5775. Must not any depreciation of the currency produce that?—I think it would be beneficial in every way, and to all classes; to the creditor, in making those debts good which are now bad, and beneficial to the debtor, in enabling him to pay debts which he cannot now pay without destruction. Experience proved this in 1817 and 1818, and in 1824 and 1825.

5776. What precise alterations in the laws relating to the currency would you think advisable?—I should wish exceedingly to recommend a silver standard.

5777. Do you mean exclusive of the gold, or in addition?—I would make silver the only standard, and let gold find its *agio*; then I would recommend strongly to increase the issues of Bank notes that are now in circulation very considerably; and then I would recommend the re-issuing of 1 *l.* notes, and for Bank of England notes to be made a legal tender from all persons but the Bank of England itself.

5778. With regard to the issue of Country Bank notes, would you permit them as at present?—My opinion is that Country Bank notes are the most important and the most useful instruments of circulation that exist; and upon this subject I have a short paper, which I sent to Lord Liverpool upon the 22d of November 1825; it is upon the subject of the 1 *l.* notes that were then in circulation.

5779. You stated, that you wish to make Bank of England notes a legal tender for every body except the Bank of England, and you apprehend that one of the consequences of that must be, the ultimate necessity of a Bank restriction?—I think it highly probable, but I also think we are in great danger of that now.

5780. When that Bank restriction occurred, would not that be tantamount to making Bank of England notes a legal tender by the Bank of England itself?—It would be tantamount to that, but the Legislature might so limit the Bank of England as to take the evil away from that state of things, they might appoint a commission over the Bank of England, with power to obligate and limit the Bank of England to a given amount of circulation.

5781. Do you think the amount of circulation in the country ought to be always exactly the same?—No, I think it ought to possess an expansive character, but rarely a contractive one. I think the productive employment of industry should be the guide. The Country Bank notes I consider to be a most valuable part of the circulation, inasmuch as the Country Bankers acted directly upon the channels of industry, and their small note circulation was all employed in the absolute *bonâ fide* feeding and clothing of the population, but the Bank of England note does not come in contact so directly as the Country Bankers' did.

Veneris, 3^o die Augusti, 1832.

THE RIGHT HON. LORD VISCOUNT ALTHORP, IN THE CHAIR.

John Easthope, Esq. a Member of the House; Examined.

5782. YOU are a Stock Broker?—I am.

5783. Are you acquainted with the trade of Banking?—Yes, in some degree; before I was a Stock Broker I was engaged as a Country Banker for several years.

5784. At what place?—At Tewkesbury in Gloucestershire, at Evesham in Worcestershire, and at Alcester in Warwickshire.

5785. What is your opinion respecting the expediency of renewing the Charter of the Bank of England, with its present exclusive privileges?—My opinion is decidedly against the exclusive privileges of the Bank of England.

5786. What is your reason for that opinion?—I conceive that they are injurious to the public interest, on principle as well as in practice; on principle, because I conceive that the principle which would be safest to the public interest would comprize small profits, but the system of the Bank is to make large profits; and in order to secure that, they appear to me to have lost sight of the principles necessary for the public safety. This is strongly illustrated in their practices, particularly in 1825, and also, I believe, subsequently. Previous to the year 1825, the issues of the Bank were very large, unnecessarily and injuriously so, and then suddenly contracted in a way to be ruinously destructive.

5787. Then it is your opinion that the Bank has been more guided with a view of securing large profits than with a view of doing what would be best for the public interest?—I think that must be manifest from the circumstance of the Bank being choked up with securities that cannot be made available to them in case of necessity. Some of the great evils that have happened have arisen from the Bank being thus choked up with a species of security, which if there was a necessity of availing itself of, it could not do, and the attempt to do so is necessarily ruinous to individuals, and destructive of public interests.

5788. In point of fact, have not the Bank realized large profits?—It is so understood, but every thing about the Bank is so much involved in secrecy, and there is so much concealment, that it is only now and then that we can have a peep into any thing of that kind. I apprehend it is a positive fact that they have realized large profits; we have returns demonstrating that.

5789. That is, that in addition to the dividends, there have been large bonuses?—Yes.

5790. What do you consider to have been the amount of the increase of the issues of the Bank previous to 1825, and the amount of contraction?—The positive amount of the increase in Bank notes perhaps was not very large; but I conceive there is a great delusion on that point, because there was a very large drain upon the Bank for gold, and that gold all went out of the Bank coffers, whilst there was also, if not a very large one, yet there was an increase of their notes. Now to have acted safely and fairly, there ought to have been a large contraction when the Bank were largely called upon for gold; if they had looked at the thing in time to have prevented the evils that followed in December, I conceive that there would have been a large contraction of their notes as they issued the gold. I believe there was a large diminution of gold, and not at any time any thing like a proper comparative contraction of their notes.

5791. That is, you mean to say that after there was a decided indication of a redundant currency by a demand for gold, the Bank continued to issue paper?—It is manifest that they did, because there was no contraction of the paper whilst there was an immense quantity of their paper taken in to them, for which they paid gold, and yet the amount of their notes in circulation, by the returns delivered to Parliament, was rather larger after than before the gold went out.

5792. At what time in 1825 was that?—I forget the exact dates.

5793. Did it not take place in the year 1824?—Yes, in 1824, and in the early part of 1825.

5794. That is to say, there was a great tendency in the Exchanges to fall, and there was a demand for gold; and notwithstanding those two circumstances, the

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Bank in 1824 and the beginning of 1825 not only kept the circulation up to its former amount, but actually increased it?—My impression is, that there was, though not a very large one, an actual increase, whilst I am under a conviction that there ought to have been a decrease, if they had duly considered the effect likely to arise from the amount of gold which they paid.

5795. Then, on the whole, is it your opinion that the Bank by its conduct during the years 1824 and 1825 contributed much to the distress at the latter end of 1825, and the great commercial convulsion that took place at that time?—It is my decided opinion, nor do I find any person, unconnected with the Bank, that appears to have a doubt about it.

5796. In former instances of commercial difficulty and of great fluctuations in prices and in the currency, are you of opinion that the Bank contributed to produce those effects?—My belief is that a system so regulated as that of the Bank must necessarily be connected with evils of that description.

5797. Have you examined historically those instances of commercial distress and fluctuations in the currency which took place in the years 1782, 1793, 1797, 1800, 1816, and 1818?—I have examined them generally, so as to have only a general impression; I have not examined them with that minuteness that would warrant me at this time to give any positive evidence arising upon that examination.

5798. Is it your general impression that the Bank in those instances conducted their affairs upon a wrong principle?—That is my general impression.

5799. Do you believe that the management of the Bank Directors, subsequently to 1825, has prevented a recurrence of similar evils to those which occurred in December 1825?—My belief is that the fears of the Public have materially operated to prevent those evils, if not to the same extent, yet similar evils, and not the careful conduct of the Bank. We commonly understand what is meant by a burnt child dreading the fire; now I believe it has been in no slight degree attributable to that kind of fear that we have not got into some of the evils in question. I do not subscribe to the opinion of its being sufficient for the Bank Directors to regulate their conduct by a regard to the Foreign Exchanges only, my belief is that such is the last stage, and not the first stage, by which they ought to regulate their conduct; that may be sufficient for their own security, but then if they leave the thing till it comes to that stage, I think it very probably will occasion the ruin of an immense number of persons. I cannot help thinking that the Bank ought to regulate their system of management in a considerable degree by the returns upon themselves, that is, by the amount of their deposits. We have been led to understand that the deposits of the Bank of England were very large, and have been so for many years; I cannot help thinking that ought to be viewed as evidence of a redundant currency. If there were to be large speculations founded upon a reduction of interest, and the consequences which arise from a redundant currency, and people go into speculations which lead to an export of gold, then the Bank take the thing in hand, and begin to operate upon the money market, so as to prevent the export of gold; but then it follows that they ruin the speculators, as was the case in 1825. I think that the Bank ought to take the thing in the earliest stage; though it may secure themselves to go and sell all they can of their available securities, and contract their currency, to prevent the export of gold, it surely is proper and fair that the Public should require some security against an appearance of things which naturally induces people, without having the same means of knowledge as Bank Directors, to go into those speculations by which they become ruined.

5800. What do you mean by regulating their issues by the amount of their deposits?—Supposing the Bank to have issued 20 millions of notes, and eight millions of notes are deposited with themselves, for all the purposes of liability of the Bank, it is 28 millions, and for all the purposes of circulation it is 28 millions, because the London Bankers and others have a claim upon the Bank for eight millions; when the Bank of England has eight millions of notes brought back upon them as deposits, I think they ought to come to a determination that there is too much currency; if they had done so, they would not have lent the London Bridge Company a million of money; the Bank lent the London Bridge Company a million of money at the time when we understood they had many millions of deposits; but then, be it remembered, we are obliged to speak of every thing with an immense degree of caution, because it is only about once in seven years that we have a peep at

at the fact; but we understood that at the time the Bank lent the London Bridge Company a million of money, they had many millions of deposits. I contend, that their having many millions of deposits was an evidence of an excessive circulation, and their lending the London Bridge Company a million of money was calculated to increase that excess.

5801. You mean, that deposits are made by Bank notes, and that the return of Bank notes for the purpose of deposits is the first natural effort of the Public to diminish a superabundant currency?—It is thereby evident there is too much currency; and if the deposits had been called out and employed as in 1825, in all those adventurous speculations which then ended in so much destruction, if the persons that had claims upon the Bank for those deposits had put them in activity, the presumption is, that it would have produced some evils similar to those that arose in 1825, and the Bank then, to have prevented a recurrence of danger to themselves, would have resorted to a sudden contraction, which must have ended in the ruin of the parties that had engaged in the speculations.

5802. Then are you of opinion that the Bank ought not to wait, as a rule for diminishing its issues, till the action of the demand for gold upon it takes place?—I think that is the last stage; it is something like setting a house on fire, and then finding the necessity of putting it out.

5803. Do you mean that when the deposits in the hands of the Bank are increasing, they ought to contract their circulation, and that when the deposits in the Bank are diminishing, they may more safely expand it?—When the deposits are increasing, they ought to contract, considering it a sign of superabundance; but when the deposits with the Bank are diminishing, the circulation is increased by the action of drawing out, and therefore it does not follow that the Bank should then also take other means to expand the currency; it may then likewise appear needful for the Bank to contract, to prevent any ill effect from the increase occasioned by the drawing out of the deposits.

5804. Supposing the deposits in the Bank diminished between February 1825 and August 1825 to the amount of nearly four millions, should you conceive that would have justified them in increasing their issues at that time, notwithstanding the Exchanges were against the country?—I think it possible that other causes might operate, and that other causes did operate at that time; that would have made it improper for them to have increased their issues, because it is certain that the deposits must have decreased at that time, and the gold was decreasing at the time, and that was a sufficient reason why they should not increase their notes.

5805. Would not a spirit of commercial enterprise cause a diminution of deposits of such a nature, as not to be an index of the necessity of diminishing the currency?—If by commercial enterprise is intended a speculative increase of prices, that would be an indication of a redundant currency; hence it follows that in such a case the Bank should draw in their notes as fast as the depositors draw them out.

5806. In point of fact, can any other conclusion be drawn from a great increase of deposits, than that of a redundant currency?—As a general rule, I should think a large increase of deposits would be an indication of a redundant currency.

5807. Is not a fall of the Foreign Exchanges the consequence of a redundant currency?—Yes, as a general rule.

5808. Then if the Bank govern themselves by the Foreign Exchanges, they overlook the cause of the fall of the Exchanges, which cause itself ought to govern them?—I do not intend to say that the Bank Directors, in governing themselves by the fall of the Foreign Exchanges, necessarily overlook the cause, but in so governing themselves entirely they delay their controlling check too long.

5809. Is it not a matter very difficult to foresee when the Foreign Exchanges are likely to turn against the country?—The difficulty I conceive to be considerably increased by the existence of foreign loans; formerly, when there were no such things as foreign loans, it could be much more easily foreseen, because the trade would be much more easily ascertained, but now an immense number of ships would be unequal in value to one parcel, either consigned to or received by Mr. Rothschild; it must be obvious that when such an immense quantity of these securities are afloat, which are negotiable abroad and also here, that it must affect

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the question of the Exchanges, so as to make it much more difficult to ascertain or anticipate, than before those loans existed.

5810. If there is great difficulty in foreseeing what the state of the Exchanges will be at any approaching period, would not that render such speculation upon that event very dangerous as a rule for the management of the issues of the Bank; for example, would it be safe for the Bank in the month of February to regulate its issues by what it apprehended the Foreign Exchanges would be in the month of March?—I conceive, to lay down any one principle, and rigidly adhere to it, in a case of so much difficulty, must be very obviously exposed to mistakes, because one thing may arise to counteract another; that which may appear probable to take place at a future period, may in practice be prevented by the intervention of some other cause.

5811. Are the causes which operate upon the Foreign Exchanges so easily to be ascertained as to enable any commercial body to regulate their conduct by the observation of those causes?—It must be very obvious, as it occurred to me in one of my former answers, that Mr. Rothschild's operations, which are so enormous, and which must necessarily be conducted with great privacy, must increase the difficulty of anticipating the probable state of things, so as to regulate the conduct of any Bank of issue with perfect security, by any one determined principle.

5812. You have stated that the Bank ought, when their deposits are increasing in amount, to curtail their circulation; are you of opinion that they ought to observe that course of management, when under such a state of things the Foreign Exchanges are in favour of this country and gold is coming from abroad?—I stated the reasons; and I should rather re-state my reasons, that if the course of conduct which the Bank profess to have observed, as to regulating their issues strictly by the Foreign Exchanges, if that is a safe course for themselves, I think they ought to begin at an earlier stage, for the sake of the Public; if, when they perceive a large quantity of unemployed circulation, by the amount of their notes returned to them as deposits, they take no notice of it till those are drawn out, and the Exchanges are turned very much against this country by the speculations entered into in the operation of which they are drawn out, the Bank thus for its own safety ruin the speculators without notice, and the people engaged with them.

5813. If the deposits are placed in the Bank by the payment in of its own notes, does not that operation, *pro tanto*, diminish the amount of the circulation of the Bank; for example, if a person deposits in the Bank 10,000*l.* in Bank of England notes, does not he diminish the circulation of the country to the amount of 10,000*l.*?—Ten thousand pounds are deposited in the Bank of England, and there are 10,000*l.* less in circulation.

5814. If, then, the Bank, looking at their liabilities, consider the deposits as part of their liabilities as much as they consider the circulating medium, is not that a correct view of the case?—Certainly.

5815. Do not the deposits of the Bank of England, and of every banking establishment, form a source of profit to those banking establishments by the use of those deposits?—Yes.

5816. Is it not therefore a sound principle of banking to employ the deposits of their customers, either by the discount of bills or by the purchase of Government securities?—If by the question, whether it is not a sound principle of banking, it is meant whether it is not the usual way of making money, I say yes, but it is a most unsafe principle for the Bank to go upon, because the Bank of England ought to take into account whether by that employment they shall be enabled to sustain their credit, provided their credit is put to the test by any extraordinary circumstances; and that constitutes one of the great objections that I have to the present system of the Bank of England. The position taken in this question is one which I think highly objectionable; that sort of employment of the deposits with Banks which is proper on the part of any other Bankers, is entirely improper and unsafe to the Public on the part of the Bank of England, and creates an amount of danger that is incalculable.

5817. It appears to be your opinion that if the circulation of the country without the Bank is diminished by the payment in of Bank notes to increase the deposits of the Bank, it is not proper for the Bank to make use of any means in order to increase the circulation again to the same amount as it was before?—I should think it very unsafe, in reference to the stability of the Bank.

5818. If

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5818. If, then, the Bank do not endeavour to increase the amount of securities in their hands in consequence of the increase of their deposits, you would think that a prudent course of management?—My great objection is in the Bank choking themselves up with such securities as they cannot avail themselves of in case of need. If they can employ their money in available securities, then of course there can be no objection; but if they employ their money in securities that are not available in case of need, it is manifest there must be corresponding danger.

5819. Do you think there is any objection to the Bank in consequence of the increase of their amount of deposits increasing the amount of their available securities?—If the securities could be available, it does not occur to me there can be any danger, but then I scarcely know what is meant by available securities.

5820. By available securities are meant exchequer bills and other commercial securities?—There are periods when exchequer bills would not be available in the hands of the Bank.

5821. Why would not exchequer bills be available in the hands of the Bank of England?—Just for the reason that they were not available in December 1825.

5822. Are you aware that the Bank of England sold a very considerable amount of exchequer bills in the course of last year, and also the early part of this year?—I do not know how I should necessarily be aware of it. That constitutes another of my objections to the Bank system. I do happen to have heard it as a great secret, but I am one out of a thousand or five thousand persons who happened to be aware of it; but then I say that such a system as that is not safe and beneficial to the Public.

5823. How do you reconcile that fact with your former answer, that exchequer bills are not available in the hands of the Bank of England?—They were available last year, because we had not reached such a crisis as in 1825; but if, for instance, any great claim was made upon the Bank for gold, and the Bank was obliged to contract its circulation very suddenly, they would not be available, because there would be no market.

5824. Then practically at the close of 1825 you did not consider that exchequer bills were available in the hands of the Bank?—It is a matter of fact, that for a few hours we could not get money for exchequer bills, or for India bonds, or for stock.

5825. Then upon that principle you could not say that there was any commercial security that was available?—Not at such a period as that.

5826. Then at the very period when the Bank of England have most occasion for making exchequer bills available, they are not able to do so?—They are not.

5827. You have stated that an extreme case may arise when no commercial security is available, would that be any reason for the Bank not laying out its money in any security at all?—I conceive that if the Bank was managed with safety to the public interests, its profits must necessarily be small; and that to be managed upon a principle that is safe to the public interests, it must not employ its fluctuating deposits as other Bankers are necessarily obliged and fairly entitled to employ them, but must have a special reference to their capability of paying in gold when called upon.

5828. If it should be the rule of the Bank never to increase the sum total of the securities in their hands, is not that one mode of effecting that object?—It is.

5829. What should you consider the most available securities in a time of a run upon the Bank?—The most available would be bills of exchange, because they expire as a matter of course at a fixed day.

5830. You consider that that is the most proper investment for the Bank to make of its capital?—I do.

5831. Is the mode in which you would recommend the profits of the Bank to be reduced in order to give additional security, by increasing considerably its store of bullion?—I think that whenever there is an increase of its wealth, it ought to be manifested by an increase of bullion in the hands of the Bank.

5832. May not the Government, in making, if it should be disposed, a new bargain with the Bank, fairly claim that the rate of profits of the Bank should be reduced, by requiring it to increase its store of bullion beyond what it has hitherto been?—I think that one of the evils of the present system would be cured by that regulation.

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5833. You have stated that you think it a safe course for the Bank to pursue, to keep the sum total of the securities in their hands as nearly as possible at the same amount?—Yes; and I think so for a very great variety of reasons.

5834. If, then, an increased demand for commercial discounts is made upon the Bank, would you prefer that they should refuse to discount the bills, or having discounted them, bring into the market a different class of securities which they hold, in order to prevent the securities accumulating in their hands?—I should think it would be desirable that they should bring in a different class of security into the market, and employ their capital in that species of security that appears to be the most consistent with banking.

5835. If they sell exchequer bills, do they not take out of the hands of the Public an equivalent amount of currency?—Certainly.

5836. Do they not, by taking out of the hands of the Bankers an equivalent amount of currency, distress the money market to that extent?—If there is no more than sufficient beforehand.

5837. Then, where is the difference of the effect upon the abundance or scarcity of money, whether by selling exchequer bills they take an equivalent amount of currency out of the money market, or whether they refuse to make an issue by discounting commercial bills to the same amount?—In the case of selling exchequer bills, they withdraw Bank notes; by refusing to discount bills, they refrain from increasing.

5838. Then, if there be no difference in the effect upon the money market, why is it that, in your former answer, you have stated that you thought the most expedient course for the Bank to adopt would be rather to dispose of its exchequer bills, and to discount an increased number of commercial bills?—It has always appeared to me that capital to be drawn from a Bank should be only temporary, that a Bank should furnish that sort of temporary capital, being a medium between the party who wanted temporary capital and the party who had too much; and that that was a legitimate employment of the money held by a Bank. If the Bank is for commercial convenience, it would appear to me more desirable that they should be engaged in affording those facilities to commerce which depend upon the discounting bills of exchange, than coming into permanent advances to Government, whether in the shape of exchequer bills or any other mode.

5839. The question is, whether by selling exchequer bills, and increasing its discounts to the same amount, it really does give increased facilities to commerce?—It would appear to me that negotiating between the party who for a short time has too much money, and the party who for a short time has too little, was giving a facility to commerce; that I conceive to be the effect of discounting bills.

5840. If that money which is taken out of the hands of the Public by the Bank selling exchequer bills, remained in the money market, would not the holders of that money be employing it probably in the discount of commercial bills?—They probably would.

5841. Then as far as the meeting the wants of commerce are concerned, it appears that the effect produced by the two modes of conduct of the Bank would be nearly the same?—I know there is a difference of opinion about that.

5842. On the ground, however, that commercial bills are the fittest investment for a body like the Bank, you would prefer that they should rather discount bills than continue to hold exchequer bills?—What I mean is this, as well as I can appreciate all the bearings of the subject, I should prefer that the Bank should be in a situation to afford liberal discount rather than by one steady advance refuse all discounts.

5843. That is, you mean to say that a Bank that deals in discount will be more beneficial to trade than a Bank that deals in public securities?—I think so.

5844. In objecting to the renewal of the Charter of the Bank of England with its exclusive privileges, what other plan do you look to for supplying London with Bank notes?—I did not contemplate to go into any opinions upon that subject. I confess that I cannot help thinking that the Scotch banking system would be much safer than the present system of the Bank, whilst I by no means am confident that evils may not arise out of that; but still, upon the whole, I think the securities are greater than in the continuance of the Bank upon the present plan of its exclusive privileges.

5845. That is, by the Scotch system, you mean a system of free banking?—I mean a system of free banking; but I think the great thing would be publicity.

5846. Do

5846. Do you think the system of free banking would give greater facility against excessive issues and consequent revulsions?—Yes, I think by one checking the other.

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5847. Taking into consideration what have been the effects of the monopoly system, and what may be looked forward to as the proper and natural consequences of an entirely free system, you would depend rather upon the latter than the former?—Yes.

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5848. Do you think that under such a system there would be sufficient protection against over issues of paper?—I have a qualm on the subject; I am not so perfectly satisfied about that as I could wish to be, yet I do think that the system of the Banks checking each other, and especially if it was controlled by publicity, would present most security.

5849. Suppose several Banks with large capital, if their paper returned upon them as it does now upon the Bank of England in the shape of deposits, would not that circumstance force them to diminish their issues instead of leaving them at liberty to do as the Bank of England now do, increase their issues under such circumstances?—I think it would, and especially if it were controlled by public observation.

5850. In point of fact, the return of paper upon Banks dealing under competition would in this way more effectually protect the Public from over-issue of paper and a redundant currency than the Bank of England now protects it?—I think decidedly more than the Bank of England now.

5851. Do you think that periods of great distress and convulsion would so often arise under a free system of banking, as they have arisen under the monopoly system?—I think certainly not; and I think so for this (to me) obvious reason, that if the free system were controlled by public observation, and completely mixed up with public knowledge, there would not be the same kind of jealousy and distrust that must always attend any system that is involved in mystery and concealment.

5852. Do you think that under a free system it would have been possible to have increased the circulation in defiance of all the indications of a redundant currency, as the Bank of England often has done?—I think banking upon a free system, controlled by public knowledge and by public observation, could not have led to those mischievous expansions.

5853. Then, under a free system, the instances would be more rare in which the trade of London would be placed under the necessity of seeking relief?—Certainly.

5854. Would a system of free Banks in London be capable of affording considerable assistance to trade in times of difficulty?—My belief is, as contradistinguished from the present system, that it would; that if there were many establishments, and those establishments conducted with publicity, and well managed, not with the privacy of the present Bank establishment, but with an almost general knowledge, there would be no motive for distrust, and in practice would not be distrusted, as naturally is the case under the present system, from its privacy and concealment.

5855. Do you conceive that it is part of the duty of those who issue Bank paper in London to manage the Foreign Exchanges?—I should be very glad of a system of banking that did not require that the Bank should trouble themselves with any thing but their own business, but, as it now stands, of course the Bank of England must look at the Foreign Exchanges.

5856. Then in your opinion it would not be an objection to a free system of banking in London, that such Banks would be less competent to manage the Foreign Exchanges than the Bank of England is?—If there were no other checks upon the many Banks, it must be obvious if the Foreign Exchanges are necessary to be managed, that if there were ten companies to manage them instead of one, there must be more difficulty in ten companies managing that which one company would be otherwise called upon to manage; but my own belief is that there would be less necessity, from the intervention of other checks, to have reference to it; but the ten companies, when they found it was necessary to have recourse to it, would do as the Bankers in London I believe now do; it is understood that there is that sort of strict community of interest among the Bankers, which enables them to exchange their opinions freely.

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5857. Inasmuch as the Foreign Exchanges contribute to regulate the amount of currency under the present system of the Bank monopoly, would they not equally contribute to do so under a system of free trade?—Yes.

5858. Do you think there is any reason to doubt that if the exclusive privileges were withheld from the Bank of England, a number of Banks would be established in London with very considerable capitals?—No doubt at all.

5859. Do you think the amount of capital that would be so invested would be sufficient to render those Banks perfectly solvent and safe?—I should think so.

5860. And that all operations of banking under establishments so supported by large capital might be carried on beneficially to the Public?—I should think so; I see no difficulty whatever in it.

5861. Do you believe that previous to 1825 the Scotch Banks made any great increase of their issues?—I do not positively recollect that, but my impression is that there was some increase.

5862. You have stated that the essential benefit to be derived from competition of different Banks would be from the publicity of their proceedings; do you think that the advantage of having a competition of Bankers over the present system would be diminished considerably, if the Bank of England were compelled to make their proceedings public?—Certainly I do consider that there would be a less necessity, and that there would be less advantages in an alteration, if publicity pervaded the present system.

5863. If the Bank of England were compelled to publish their affairs, should you wish to deprive them of the monopoly of the circulation of the Metropolis?—I confess in such questions I should be slow in trying experiments; and therefore that which would be the least change, with manifest improvement, perhaps is fairly entitled to be tried first; upon that principle, if the present system of issue was tried with all the advantages of publicity, it would, as being the least change in a case in which considerable doubt and great anxiety must prevail, therefore be fairly said to be the expedient course.

5864. Do you apprehend that there would be any danger to the Bank of England from a periodical publication of the amount of bullion in its coffers?—I believe the great danger is from the secrecy, because there is just enough secrecy for the purpose of mischief, without there being secrecy for the purpose of good.

5865. You stated you thought that if ten Banks were established in the Metropolis, as there is at present between the great Bankers of London a communication and an exchange of their opinions, that exchange of opinions would take place if there were ten Banks of issue acting at the same time?—I cannot see any reason why there should not be, always keeping in view that publicity should pervade the operations of all Banks of issue.

5866. If there were such a change of opinions, would not that in fact be a combination of Banks, rather than a rivalry of different Banks?—It would be a sort of concord of the banking interest, but I do not see why it should necessarily become a combination to prevent rivalry.

5867. Would it not in fact be a system of monopoly divided among a great number of persons, instead of a system of monopoly, as it is now, in the hands of one body?—I do not think it would have all the injurious character of monopoly, though it would comprise the advantages of communication.

5868. Would it have the advantages of a competition?—I do not see any reason why it would not.

5869. Would not the principle of private interest and making profits have the same operation in Banking when free, as it has in every other trade when free?—I can see no reason why it would not.

5870. In point of fact, each Banker will gain just in proportion to the extent of his business, and there being a certain amount of business as a whole, the larger share each person has of it, the more profit he will make?—Yes.

5871. Is not one principal mode of the Bank of England obtaining profits, increasing the amount of its issues?—Certainly.

5872. When there is a rise of prices, and when consequently there is a tendency to speculation, is it not in the power of a Banker to increase his issues more than at any other time?—That of course presents a facility of increasing, but there may be other causes in operation.

5873. Then, if it is the interest of a Banker to increase his issues as much as he can,

can, in order to make profit consistently with his safety, would it not be the interest of any or all of those Bankers, at a period of a rise of prices, to increase their issues simultaneously?—It would be their interest, but then I conceive it would be checked by a regard to their safety; that must in practice operate against their embracing the facility that may be presented to them by a rise of prices.

5874. If they made their issues upon good security, would they not be acting quite consistently with their own safety?—That must depend upon the state of their concerns, to what extent they increase their issues; if they increase their issues upon securities that are always available, clearly so.

5875. At a period of a rise of prices, is there not necessarily an increased demand for the discount of good bills?—There is naturally so.

5876. Then, when prices were rising, the Bankers would have a facility of increasing their issues upon good bills, and therefore quite consistently with their own security?—They may discount more bills than would be consistent with their own security; it is quite manifest that if they have no regard to their capital, or their certain ability to obtain discount themselves if required, that in discounting bills they may be in a situation of obvious difficulty.

5877. Would not every Bank, when its interest appeared in the first instance to be that of increasing its issue, take into consideration what would be the ultimate effect of its doing so, and of other Banks doing the same at the same moment?—I think in practice a well-regulated Bank would say, We are called upon for such an amount of discount, now how does that comport with our own private ability; they would look to the money they had, and to the money coming in, and they would measure the accommodation wanted by a regard to their own pecuniary circumstances.

5878. If in point of fact any Bank or set of Banks, influenced by the motive of their own apparent interest, issued more notes than it was really proper to issue, would not the immediate return of their notes show that the currency was redundant?—Yes.

5879. Then, after such an evidence of redundancy, would it not cease to be their interest altogether to continue to issue largely?—They would immediately check their accommodation of every sort.

5880. So that though it may be stated in the abstract that it is the interest of a Bank to issue as much paper as possible, it is not correct to draw from that circumstance this conclusion, that a Bank will whenever it has an opportunity increase its issues without looking to the result?—Judicious banking will always lead a Banker to look to his means in lending his money.

5881. With regard to the result of a rise of prices in leading to a demand on Banks for increased discounts, will not the Banks take into consideration the effect which acceding to that demand will produce upon the general currency, and to the injurious consequences to themselves, of making it redundant?—That is a question about what is probable under another state of things than that which has existed. It must be obvious that the first principle of a banker is to make the largest sum of money that he can, consonant with his own security; every thing I want to require of a Banker is, that he shall have regard to his own safety, that he shall not mix up the character of a legislator with that of a Banker. This constitutes one of my objections to the present system, that they (the Bank Directors) are in part legislators as well as Bankers.

5882. Will not the security of a Bank, or a system of Banks, be essentially dependent upon their taking the strictest care not to over-issue paper, and thereby not to have a redundant currency?—Certainly, their own safety will oblige them to look to certain rules, which, if they disregard, will bring their own credit into danger.

5883. Is it more likely that a number of Banks acting in competition will act upon such fixed rules, than it is that one Company, subject to publicity, would?—That is a question I confess I have some difficulty in answering; a great deal may be said on both sides.

5884. In regard to one Company, is it not entirely free to do as it pleases, and to act without any control, whereas where there are several Banks, is not that control established by competition?—Certainly. My difficulty in answering the question in favour of one Company, arises from the difficulty of my looking to a state of things which will make that Company keep to rules that will be safe; and I am inclined to think that more security would be attained from the division

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of management and from the increased publicity that would be gained from the ten Companies.

5885. With respect to the bearing of a state of high prices upon the issuing of paper, will not every Bank act upon the same principles in its calculations as to high prices, as every merchant would in trade; that is, when he found a great demand upon him in consequence of high prices and great enterprise and speculation, would not he be induced to act with great caution in trusting to their continuance?—I think a wise Banker would necessarily act with considerable regard to that principle; but I should hesitate whether he would act to the same extent of caution as a merchant, because the profit of the merchant depends entirely upon the fluctuation of price, the profit of the Banker depends upon the use of money, not so directly upon the fluctuation in the market price of commodities.

5886. As the general result of a fall of prices would be injurious to Bankers, and as that fall will be great in proportion as prices have been excessive, would not that be a sufficient reason with him to be cautious how he issued his paper when it was in great demand from a state of high prices?—Clearly; the Banker would look at the parties to whom he lent his money, he would look at the sort of paper proposed to him for discount, and if he perceived that the parties to that paper were connected with speculations which were likely to be ruined by a revulsion consequent upon the existing state of things, he would be shy of such paper.

5887. Does not the history of the trade of this country show that every instance of very great prosperity arising from very high prices, has been followed by a very sudden fall of prices and a consequent revulsion?—As far as my knowledge extends.

5888. Then, in point of fact, experience should teach a Banker not to yield to a demand for issues in a state of very high prices, but, on the contrary, to be cautious how he kept his issues to their usual amount?—Yes, I conceive the caution would operate practically in reference to the quality of paper proposed to him; a prudent Banker, if there was a mania such as existed in 1825, would look at the quality of the paper proposed to him; if he perceived it was paper connected with adventurous speculation, he would be shy of it.

5889. Would not he look to the general state of enterprise and speculation going on around him?—I have in my immediate view a certain class of Bankers who would look at that; and I can imagine another class of Bankers, who know little about the subject, and who would be governed entirely by the other more direct considerations.

5890. You have been comparing a single Bank without publicity, with many Banks coupled with publicity; is it from the publicity, or from the increased number of Banks, that you would most expect an increased security?—I think publicity of the utmost importance; but I do think considerable hope may be indulged from the rivalry of the increased number.

5891. If there were a single Bank with publicity, would not this be the best form of publicity, that they should make known the principles upon which they intend to act; and that by frequent publication of their Accounts, the Public should then be able to judge how far they conformed to those principles?—In reference to a single establishment, I conceive that is the only efficient system of publicity; and I think that every body, using common diligence, with common means of judgment, should have it in his power to form a fairly confident opinion of the natural operations of industry, and of the fluctuations of public concerns.

5892. Suppose the case of a single Bank in any district, subject to publicity, and acting upon fixed rules, will not that Bank be liable to make an increased issue when prices are rising, and to contract its issues when prices are falling?—The rise of prices of course affords a facility to the increase of its issues, and a contraction of prices of course presents a state of things that requires a smaller issue.

5893. Of course, with whatever prudence the affairs of such Bank may be conducted, this will occasion a fluctuation in the amount of its issues?—Unquestionably.

5894. Supposing the case of the same district, and the Banking business of that district to be divided amongst several Banks, equally subject to publicity, conducting their affairs with precisely the same prudence as the single Bank, those Banks

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Banks exchanging their paper, like the Scotch Banks, at certain fixed intervals, in what respect would the multiplying the number of Banks give to the Public an increased security against over-issue; would increasing the number of Banks alone, supposing the same degree of prudence, coupled with those other checks, any way tend to make the danger of over-issues less in the case of the many Banks, than in the case of the single Bank?—I should rather decline any answer to that question; not that I am without an opinion, but I have also some doubts; there is great diversity of opinion about it. I am under an impression, arising from one view of the case, that a number of Banks, checking each other by the over-issues, acting to expedite returns, would tend to repress over-issues. Then I can imagine also a state of things by which there may not be that union and that concord, and in which different rival issues may for a time thereby be increased, as well as from a variety of other causes, such as every person accustomed to banking must remember in the course of his life, which will temporarily operate to increase the issues. Prudence may be lost sight of by some part of the ten Banks, and this of itself may for a time lead to over-issue. Then, again, as it respects a single Bank, though it be subject to publicity, yet I can imagine that the persons who are in the management of the concern may overlook the rules of prudence and their responsibility to public opinion for a time, and also depart from the proper course. So that I have great difficulty about it; it is quite, in my view, a speculative question.

5895. Supposing there is perfect union among the many Banks, and that daily or even hourly they adjust the balances one with the other, does it not reduce the case of the many Banks precisely to the case of a single Bank, giving them character for equal prudence, and that there is no competition or rivalry amongst the many which gives an additional cause for over-issues?—Under the circumstances of a perfect concord, certainly.

5896. In the case of there being a rivalry between the Banks, does it not lead to the conclusion, that with many Banks there is a greater chance of over-issue than with one?—That may be controlled, I think, by other causes.

5897. What causes?—Such as the separate interests of the different Banks.

5898. How do those separate interests tend to a contraction of the issues?—The separate interests, controlled by the particular fears of each body, may lead to contraction.

5899. Then you mean to say that it is not merely increasing the number of Banks, and frequently balancing, that tends to check over-issue, but that there are other circumstances attending many Banks, which lead you to think that such would be the effect?—I would rather not answer that question.

5900. Although increasing the number of Banks and balancing the notes will not in themselves prevent an over-issue, is not the necessary consequence of such increased number and such balancing, to produce such evidence by the return of notes of a redundant currency, if redundant, as will stop those Banks from increasing their issues?—I wish, as I said before, to state to the Committee, that in what I have heard and read about the Scotch Banking system and its adaptation to London, there are some difficulties that I do not see my way clearly out of, and I think they will have information from other individuals who are more competent than I am.

5901. Do you think that if there were several Banks, the result would be, their acting in perfect union with each other?—I think their interest would be to act in union with each other to a certain extent.

5902. Do you mean that they would so far unite as to act upon certain regulations contributing to their own security?—It would be manifest that they would. I judge it from the present state of things; the Bankers in London now have a certain confidence in each other, attended with all those civilities and freedom of communication which I should imagine naturally leads to their interest and protection.

5903. Would not there be separate interests amongst such Bankers, as amongst other traders?—Certainly.

5904. Would not those separate interests lead to rivalry, and in that way give a greater security to the Public against over-issues, than the Public now has from one Bank?—I am inclined, if not with full confidence, to think that such would be the result.

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5905. What security has the Public, under the present system of the Bank monopoly, against over-issues, and against any other abuse that can flow from an over-issue of paper, except the discretion of 24 individuals who happen to be Directors?—None at all.

5906. Do you think that is a safe principle to trust the whole currency and property of the country upon?—A most unsafe one.

5907. Then in point of fact, while you have one Bank, you have nothing to trust to but the discretion of the Directors; and if there were several, you would have competition?—If I was asked which I considered the safest, whether the ten Banks as it is proposed to manage them, or the one Bank upon the present system of the Bank of England, I should certainly say the ten Banks.

5908. Taking the case of one Bank in a district, which should over-issue to the extent of one-fourth or one-fifth of its previously existing issues, and then suppose that was split into five or six different Banks, established in that same district, which should over issue to the extent of one-fourth or one-fifth of the previously existing issue, would not the over-issue in either case, if it were in the same proportion, be speedily returned?—Yes.

5909. Putting rivalry aside, would not the rate at which those notes were returned be the same in both cases?—I am not quite sure how that would act.

5910. You have stated it as your opinion, that it would be a great check upon the over-issue of notes by the Bank of England, if they were to publish their Accounts; in your opinion would it act as the same check if all Banks of issue were required to publish their Accounts, or do you limit your opinion to the Bank of England only?—I think it would manifestly act as a check upon over-issue in all cases.

5911. Do you think it expedient that all Banks of issue should publish their Accounts?—Yes, I do decidedly; but not so important as in relation to the Bank of England. I see no good reason why the Government of the country should not thoroughly understand the currency, and why the Public should not have positive information as to the amount of the currency in the country. But I think it is much more important in relation to the Bank of England to publish its issues, and to have them always under the view of the Public, because the credit of the country is based mainly upon their issues.

5912. Is it not an evil to the country to have an over-issue, whether that over-issue is by the Bank of England or by Country Bankers?—Yes, but I think that the over-issues of the Country Bankers are grounded upon the over-issues of the Bank of England.

5913. Upon what grounds do you form that opinion?—Upon observation and experience; when I was a Country Banker, we were always (as I conceive Country Bankers necessarily must) led in some degree to govern our issues by the facilities of obtaining money in London; if we understood that in London there was great difficulty in obtaining discounts, and great apprehension in consequence, we immediately dealt out our accommodation with a more sparing hand; and if money was exceedingly abundant in London, we were more free in discounting bills, because we could calculate, in case of need, upon their being reconverted. If we heard from our Bankers in town that considerable difficulty was likely to take place, and that it would require increased caution in making advances, it naturally operated so; if there was no difficulty apprehended, we then could discount and let safe customers over-draw with more freedom. I believe it is the practice of Country Bankers to let their customers over-draw to an extent (in comparison with the extent of the business) much beyond what is the practice in town, and that I conceive to be always more or less checked by the state of money in town.

5914. Did you regulate your issues by the state of the Foreign Exchanges, or only by the state of the money market in London?—Country Bankers, I conceive generally, have more reference to the state of the money market in London, than they have to the state of the Foreign Exchanges.

5915. You have stated, that you consider that the issues of the Bank were unnecessarily large previous to the year 1825, to what particular years do you limit that opinion?—I have not got the documents before me sufficient to answer that question; but generally I conceive that the issues of the Bank were large, and I think my answer was connected with its having led to the Panic of 1825.

5916. Do

5916. Do you consider that in the beginning of the year 1822 the issues of the Bank were unnecessarily large?—I have not the documents before me, and therefore I cannot answer the question.

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5917. Do you recollect what were the prices at that time?—I have not them immediately upon my recollection.

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5918. If from the 3d of January 1822 to the 3d of January 1824, it should appear that the issues of the Bank of England had only increased 1,600,000*l.* and that their bullion had increased 2,100,000*l.*; would you consider those circumstances as indicative of an over-issue of paper on the part of the Bank of England?—Those circumstances, that is, the circumstance of the bullion having increased in the proportion mentioned, and the circumstance of the Bank notes having increased in the proportion mentioned, would not be the single and alone causes by which I should be entitled to say that there was an over-issue.

5919. Would not those circumstances be a proof that there had not, in that interval at least, been an over-issue of paper on the part of the Bank of England, namely, the bullion having increased half a million beyond the increased issue of paper?—I am not prepared at this moment to say that those circumstances would be decisive of no over-issue, it may be attended by other circumstances that I have not immediately in my view.

5920. You have stated that the Bank of England acted injudiciously in lending a million of money to the City of London, for the repair of London Bridge; are you aware when that loan first commenced, and when it ended?—I can be only aware of that which the Public are aware of.

5921. Are you aware that that loan was to commence in 1828, and it only ceased the other day; and that the conditions of that loan were, that a large sinking fund should be established, to redeem a considerable portion of it annually?—I forget all the circumstances; I know at the time that it was negotiated there was a question about whether the Equitable Insurance Office or whether other individuals should lend it, and the Bank of England lent it, to the surprise of a great many people.

5922. You have stated it as your opinion, that it would be advantageous if more Joint Stock Banks of issue were established in London, and the number of ten has been mentioned; what do you think would be the effect of such establishments upon the private Banking Establishments in London?—It must be very obvious that if another system of Banking, more safe to the Public, be engaged in, and that they obtain business, there would be a diminished business for the private Bankers.

5923. Would not you calculate that upon those ten Establishments there would be included the leading capitalists of London, and that consequently those leading capitalists must withdraw their accounts from their private Bankers?—Unquestionably if it was engaged in by the leading capitalists, the presumption is that they would support it.

5924. And if it were not engaged in by the leading capitalists, it would not be productive of those advantages which you calculate would result from it?—I do not think that is a necessary consequence, if by the leading capitalists are meant some dozen individuals, or some hundred individuals, because I can imagine a subscription of capital by individuals not comprising many of the leading capitalists, and if the capital, when subscribed, is well managed, it may be productive of public benefit.

5925. Do you think those Joint Stock Banking Companies would afford that convenience and accommodation which private Bankers are now enabled to afford to middle-men and retail-dealers?—I am not aware of any convenience that is now afforded, that necessarily should not be afforded by that system of banking.

5926. Are you aware that any convenience or any accommodation is withheld from that description of traders, which ought to be furnished by the present system of banking, as regards private Bankers?—No, I am not aware of any such.

5927. Does your opinion as to the advantages that would be derived from Joint Stock Companies, extend to the country as well as London?—If Joint Stock Companies would furnish a safer basis for public credit, it would follow that their extension to the country would be advantageous, as well as their establishment in London.

5928. Are the Committee to understand it to be your opinion that the Public would derive additional security and advantage from the establishment of Joint

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Stock Banking Companies over the present system of banking now adopted in the Metropolis?—I think it must have been very obvious to the Committee that I have met that question with considerable hesitation and doubt, but I have no hesitation or doubt as to almost any system being preferable to the present system of the Bank of England.

5929. Does your doubt arise from wishing not at once to make so great a change as from a system of monopoly to a system of free trade, rather than from having any want of confidence in a free trade, if there was time sufficient to introduce it gradually?—My doubt does arise from so large a question, upon which such very important interests depend, being at once changed by so great a difference as from the point upon which it now stands.

5930. Suppose you had perfect publicity, which would you prefer, one Bank, like the Bank of England, in London, or the establishment of several Joint Stock Banks?—I think I have before stated, that with perfect publicity, I should consider it the safer and the more expedient course to try its operation upon the present system, in that form which would give us the advantages of a trial.

5931. What would you consider a perfect publicity?—First, an avowal of the principles upon which the Bank was to be conducted, and then a plain statement of its issues and of its assets.

5932. Including the bullion?—Including the bullion.

5933. How frequently, would you have it monthly?—Certainly, as often as that, or oftener.

5934. Would you have it retrospective, or contemporaneous?—My feeling would be to have it in that form in which the secrecy and the concealment, which I think now prevail for no good purpose, should be entirely destroyed; that there should be no question of what the issues of the Bank were, and what the ability of the Bank was to sustain its engagements.

5935. Would a monthly publication, in your opinion, fully answer that purpose?—The form of publication and the frequency I have not thought of, and therefore my opinion would not be worth any thing; but my object would be to have all the concealment that is now about the question, destroyed.

5936. In answering the question as to the effect of publicity in improving the present system, you have said that you would prefer trying that, to trying a greater change at first; if in order to make such a trial on those grounds of the present system the Charter was to be renewed, would you think it proper to make the renewal for many years?—Certainly not.

5937. How many years do you conceive would be a fit number, in order to make a further trial whether the principle of monopoly could be made to operate beneficially to the Public?—I entertain considerable doubts of the present system, in any form, but not being perfectly confident that we can resort to any other that will be free from objections, if it is proposed to give this system the advantage of publicity, I should say the shortest period in which that publicity will be likely to afford a fair trial is the proper period.

5938. What would you think of a period of seven years?—I should think that would be vastly too long.

5939. Are there persons that hold opinions against the present system of the Bank of England, and whose experience and observation entitle their opinions to weight, who are prevented from coming forward to give information to this Committee?—There are several persons of considerable eminence in the City of London have come to me, and expressed very strong opinions against the present Bank system. Having heard what they had to say, and upon rejoining, Now I hope you will go to the Bank Committee and give your opinion, they have answered, No, they must be excused from doing that. In one case, in reference to an individual whose name would be known to almost every body here, when I enjoined upon him that I thought it was his duty to do it, he immediately rejoined upon me, that he should feel it a breach of confidence if I mentioned his name.

5940. Are the persons you allude to persons of eminence and high authority?—Persons of eminence.

5941. And you think there are a number of persons of that sort, who really are against the present system of banking, but who for certain reasons do not like to come forward and offer evidence before this Committee?—I have mentioned to the

the Committee one case, and illustrated by the conversation that took place, and I have not the slightest doubt that many other cases prevail of the same kind.

5942. Do you apprehend that their dislike to come forward to give evidence arose from any other cause than not liking to go through the sort of examination which you have just been going through?—I believe it did not originate from that dislike, because I am under some impression that the individual had no idea of the sort of examination. I believe that it arises, as I believe it does in many other cases, from a dislike to go into what is supposed to be hostility to so powerful a body as the Bank of England.

5943. Is it possible, in the situation you hold, and with your opinions in the City, that any act of the Bank of England can injure you individually in your business?—I know it cannot, at least I am not aware how it can; but I believe that such fear prevails with others.

5944. Have you been able in any case to trace any persecution on the part of the Bank of England towards individuals entertaining feelings hostile to them as a Company, which affords any ground for people being apprehensive of opposing them?—Myself, I never have observed any cases. I have asked many individuals whether they think that the fear of being considered inimical to the Bank of England, and interests supposed to be united with its monopoly, does prevail, to prevent their coming forward to give evidence; and the individuals I have asked have given the opinion that it does so operate.

5945. Do you think that apprehension well founded?—I am not aware of any conduct on the part of the Bank of England that would justify it.

5946. Since the question of the renewal of the Bank Charter has been under consideration, have you had much communication with other gentlemen of the City of London on the subject?—Yes.

5947. What do you find to be the prevailing opinion as to the expediency of the renewal of the Charter amongst those with whom you have conversed?—It will be very obvious to the Committee that I am more likely to converse with those who are hostile to the Bank monopoly, than with those who are friendly; but, unquestionably, among those I have conversed with, a feeling prevails very strongly against the expediency of continuing the exclusive privileges of the Bank.

5948. What classes of men are you now referring to?—I have conversed with London Bankers, with London Merchants, and with different persons connected with the money market; from all those classes, and from persons whose opinions I conceive to be entitled to considerable respect, I have learnt such opinions.

5949. Do you think those persons form a just conception of the way in which the Bank is managed, and have any real knowledge of the state of the case?—I am sure they have. I have in my immediate view persons whom I have been trying to prevail upon to give evidence, who are intimately connected with all the operations of the Bank, and must know them, and who entertain a very deep conviction of the inexpediency and danger of the system.

5950. When you say the inexpediency and danger of the system, does that apply to the Bank of England being a single Bank of issue, or to the general management of their affairs?—It applies to the general management of their affairs.

5951. Is this class of persons so numerous that you can affirm that the majority of the large capitalists in London, Bankers, Merchants, and Traders, are adverse to the present system?—I have not had sufficient intercourse with them to be warranted in saying what the opinion of the majority is; I have spoken of positive communications with myself.

5952. What is your own opinion as to the principles upon which the Bank is now managed?—The Bank I conceive to be managed upon a plan of making the largest dividends they can without that reference to their security which I conceive to be essential to the public interest.

5953. Has the dividend of the Bank varied much of late years?—I believe it was ten per cent for a long while, and now it is reduced to eight.

5954. By what principles do you understand that they control their issues?—I believe the general understanding has been, recently, that they control their issues by a reference to the Foreign Exchanges.

5955. What do you mean by “recently”?—Perhaps since December 1825.

5956. Is it your opinion that they have anticipated the action of the Foreign Exchanges, or that they have waited till the Foreign Exchanges acted upon them?

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—My opinion is that they have not anticipated the action of the Foreign Exchanges so much as they ought to have done, and that in not doing so they have not acted correctly.

5957. As to the management of their other concerns, other than the issue, what do you conceive is the principle they have acted upon as to their discounts?

—My understanding is that in practice they are not applied to for discounts to any considerable extent; and I should imagine that they discount all the good bills that have been sent to them generally, with few exceptions; but they have so regulated their rate of discount, and generally such has been the state of the interest of money, that they have not been applied to for large discounts.

5958. Do you conceive that they have shown any great partiality in the management of this branch of their trade?—I should think for many years there has been no opportunity for such partiality or the reverse, because I believe the discounting part of their business has been very inconsiderable, arising from the market rate of interest having been generally below the rate at which they discount.

5959. In what manner is it your opinion that they have generally contracted the currency when the Exchanges have been against us, in diminishing their discounts or by a sale of their securities?—We have been led to conjecture that they have been obliged by all sorts of private contrivances to send exchequer bills into the market; and this constitutes one of the objections I have to the Bank of England management. Here are 24 gentlemen, all connected with mercantile interests, that find it is necessary, from their knowing as Bank Directors more about mercantile interests than any other persons in London, to contract the Bank issues; and they then invent various private modes of doing so. This we have been led to imagine, but, whether true or not, I do not know; it is a report that has prevailed, that exchequer bills have been sold with such great privacy, that it has not been known, even in the market, that they were the exchequer bills of the Bank of England. I consider it objectionable that any 24 gentlemen connected with commerce should have in their sole possession the government and knowledge of circumstances which must pervade all interests and regulate the value of all property. I consider that every man, with common diligence and with the common means of information, should have the same power of obtaining information about that which is connected with and regulates the value of his property, as those seven or eight out of the 24 gentlemen connected with the Bank direction, who form the Committee of Treasury of the Bank of England.

5960. Then the opinions you have expressed you believe to be the opinions generally entertained by persons in commerce, upon their management?—All the means of information I have would lead me to conclude that, in reference to that particular point, my opinion is a general opinion.

5961. You have objected to the present system under which the Bank sell exchequer bills; what other system have you to suggest to the Committee, which they ought to observe in the sale of exchequer bills, which would be productive of more advantage to the Public?—I will state to the Committee what my impression is of the plan upon which they have sold them; I apprehend it has been done with the greatest possible privacy, so much so, that I believe the people in the money market have not known whether they were the exchequer bills of the Bank of England or not, and up to this moment I am not sure that large amounts of exchequer bills that were sold were really exchequer bills of the Bank of England or not.

5962. Are they ever sold but by their own regular broker?—I am not sure of that, I suspect they are; I have heard, but then it is all whisper, that the Bank have fixed upon different private channels to sell exchequer bills, from the knowledge that it will operate inconveniently upon the money market to sell them in the open and straight-forward way which they would be enabled to do if every thing was open.

5963. Are you aware that the Bank of England have to sell exchequer bills belonging to other parties than their own proprietary?—Clearly they are the Bankers of other parties, and probably may have to sell exchequer bills of theirs.

5964. Is it usual in the market for a seller of exchequer bills to make known to the buyer for whom he is acting?—Certainly not for individuals; but when the Government have had to sell exchequer bills, there is no mystery about it, the broker of the Government sells the exchequer bills openly.

5965. Do

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5965. Do you think it of great public importance, that when the Bank wish to reduce their circulation by means of a sale of exchequer bills, that it should be generally stated to the Public as going on, that the Bank are about to reduce their circulation in that manner?—I think, inasmuch as the credit of the Public is based upon the issues of the Bank paper, and controlled by the Bank's management, it is important that all their great operations should be as public as possible.

5966. Then you clearly distinguish between a sale of exchequer bills by the Bank for that purpose, and a sale of exchequer bills by the Bank for any other purpose?—Certainly.

5967. You have stated, that you consider that the Bank Directors, in the management of their affairs, are generally actuated by a view to make as much profit as they can, so as to make the largest dividends for their Proprietors; do you think they acted upon those principles during the Panic of 1825?—I think that the Bank Directors, if they pursue their duty, will make as large a dividend for their Proprietors as they can do with safety; but the very system leads to a disregard of safety; I do not mean to say that the Bank Directors have been governed by any thing corrupt, but their system leads to their employing the money in their hands in a manner to make the largest dividend, regardless of rules essential to be observed for the public interest.

5968. Do you conceive that the Bank, during the Panic of 1825, had reference to upholding the public credit of the country more than their own immediate profit of advantage?—I believe that nobody ever described the conduct of the Bank in 1825 so well as Mr. Tierney. My opinion is this, that having set the house on fire by their mismanagement, they then did all they could to extinguish the flames, in order to prevent its destroying themselves.

5969. Upon what grounds do you consider that the Bank were greatly instrumental in causing that Panic in 1825?—I want more information, but as it is, I have pretty strong grounds; in the first place I am fortified by the fact, of every body who is held to be of authority unconnected with the Bank, entertaining the same opinion; in the next place, it was obvious to us all that the Bank, when the world was mad, and all sorts of ridiculous speculations were entered into, instead of discouraging them and pulling up with a gentle curb, rode with a spur; they issued their notes upon mortgage, they advanced their notes upon stock, they had previously advanced very largely to the Government to enable them to reduce the rate of interest, and also were making large payments upon the Dead-weight scheme. Such was their course. At a time when they ought to have anticipated the effect of so large an issue in every shape and form, they kept on increasing their issue obviously in the ways I have stated, till their own credit was endangered, and then it is very true they pulled up with a vengeance.

5970. Are you aware that, notwithstanding the dislike you have expressed to be entertained among the Merchants and Bankers of the City of London, this Committee have had several Merchants and Bankers examined before them, and that they have never hesitated to speak out fearlessly their opinion with respect to the management of the Bank?—I do not know how I am to be aware how they have spoken out; I have heard that several gentlemen have been examined, but I cannot tell how they have spoken.

5971. As Banks of issue gain very large profits by the privilege of issue, is not this profit arising from the privilege of issue a fair subject of taxation?—I should think so, certainly.

5972. In answering that question, what do you mean by the privilege of issuing, is it not a natural right?—It is a privilege; I should think it is allowed by Act of Parliament.

5973. Is not the system of Country Banking now what may be called free?—Yes, free to a certain extent; it is not entirely free, because they cannot have more than six partners within 65 miles of London.

5974. The Bank of England has always paid for this privilege on the renewal of its Charter, why should not individuals pay for the privilege also?—If it is intended to ask me, whether they ought to pay beyond the amount of taxation they are subject to, I should have considerable doubt about it, because my own impression is, that the profits of safe banking, which are dependent in a great degree upon an issue of notes, are very moderate; if managed safely, must necessarily be moderate; just in proportion as Bankers become speculators, to make large profits, so in proportion are they unsafe; a safe system of banking must necessarily be one of very moderate profit.

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5975. Are you of opinion that if the establishment of a single Bank could be rendered by any legislation compatible with the existing interest of Country Bankers, the profit to be derived from taxing it for the privilege of issuing notes, would be a sufficient reason for the establishment of such a system of monopoly?—I have not so considered that question, as to be able to answer it in the affirmative.

5976. Have you ever considered upon whom the tax would fall in such a case, that is, in the case of a perfect monopoly, and that monopoly being very heavily taxed?—It would fall upon the Public; but if it was increased too much, one of the first evils that would be consequent upon it is, that they would be induced to go into bad banking.

5977. Are you not of opinion that if the Bank Charter is renewed, the Government ought to derive a very considerable sum from that renewal?—Clearly so; but I hope the attention will rather be directed to a safe system of currency, than to any temporary advantage; but most clearly I think they have had enough out of the Public, and that they ought to repay a little.

5978. Upon what principles would you calculate the tax in that case?—I have not considered that at all.

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2075. Are you of opinion that if the establishment of a single Bank could be rendered by any legislation compatible with the existing interest of Country Bankers, the profit to be derived from taxing it for the privilege of issuing notes would be a sufficient reason for the establishment of such a system of monopoly? I have not so considered that question, as to be able to answer it in the affirmative. 2076. Have you ever considered upon whom the tax would fall in such a case, that is, in the case of a perfect monopoly, and that monopoly being very heavily taxed?—It would fall upon the Public; but if it was increased too much, one of the first evils that would be consequent upon it is, that they would be induced to go into bad banking. 2077. Are you not of opinion that if the Bank Charter is renewed, the Government ought to derive a very considerable sum from that renewal?—Clearly so; but I hope the attention will rather be directed to a safe system of currency, than to any temporary advantage; but most clearly I think they have had enough out of the Public, and that they ought to repay a little. 2078. Upon what principles would you calculate the tax in that case?—I have not considered that at all.

AN ACCOUNT of the Balances of the Advances for the Purchase of the Bank of England, of the Issues on Discharge of the Loans on Stock, of the Loans to the East India Company, of Advances to Government to pay on Discharge on Conversion of 1.5 per Cent. the Amount of Notes in Circulation, the Amount of Cash and Gold held by the Bank of England; also, the rate of Exchange on Paris (Paris 100) and the Foreign Exchange, from the 1st of January 1825 to the 31st of December 1825.

AN ACCOUNT of the Number of Notes received and paid for Account of the Public, Drawing Accounts, and the Number of Notes issued, and the Number of Notes presented for Payment by the Bank, in the Year 1825.

AN ACCOUNT of the Foreign Exchange for the Year 1825.

AN ACCOUNT, showing the Number of Advances from the Bank of England, between 1st March and 1st April 1825.

AN ACCOUNT of the Expenses attending the Circulation of the Treasury Notes and Post Bills of the Bank of England, both in London and the Provinces, for the Year 1825, exclusive of the Stamp Duty paid to Government.

AN ACCOUNT of the Amount paid by the Bank of England, as an Exchange from Foreign Notes and Bills (per Act 55 Geo. III. c. 114) for the Year ending 31st April 1825.

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DEBITOR and CREDITOR ACCOUNT of the Bank, on 29 February 1825.

AN ACCOUNT of the Profit of the Bank of England in the Year ending 30th January 1825, showing the Description of the Securities held by the Bank, and the Sources from which the said Profit have arisen.

AN ACCOUNT of the Average Yearly Amount of the Bank of England Notes in Circulation, of the Deposits, public and private, held by the Bank; and the Investment in Securities, and of the Profits held by the Bank, in the Year ending February 28, 1825, 1826, 1827 and 1828.

EXPENSES of the Bank of England for the Year ending 30th February 1825.

AN ACCOUNT of the Total Amount of Advances, Discount, Money, Credits, &c. paid to the service of the Bank in London, and at the Bank of England branches, and at the Number of Persons to whom the said Advances were paid, for the Year ending 30th February 1825.

AN ACCOUNT of Amount of Salaries of the Banking Department for the Year ending 30th February 1825.

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Appendix, No. 1.

AN ABSTRACT of the ACTS of PARLIAMENT relating to the RIGHTS and PRIVILEGES of the GOVERNOR and COMPANY of the BANK of ENGLAND.

1694: 5th & 6th Will. III. c. 20.—The Charter of the Bank of England was granted in pursuance and under the Authority of this Act, redeemable upon the expiration of 12 months' notice, to be given after the 1st of August 1705, and on payment by the Public to the Bank of the demands in this Act specified.

Under the Authority of this Act £.1,200,000 was advanced to Government.

1697: By the 8th & 9th Will. III. c. 20, the said Charter was extended or renewed until the expiration of 12 months' notice, to be given after the 1st of August 1710, and until payment by the Public to the Bank of the demands therein specified, being an extension or renewal for Five years.

1708: By the 7th Ann, c. 7, the said Charter was extended or renewed until the expiration of 12 months' notice, to be given before the 1st of August 1732, and until payment by the Public to the Bank of the demands therein specified, being an extension or renewal for Twenty-two years; and the further sum of £.400,000 was advanced by the Bank to Government.

By this Act it is provided, "That during the continuance of the said Corporation of the Governor and Company of the Bank of England, it shall not be lawful for any body politic or corporate whatsoever erected or to be erected (other than the said Governor and Company of the Bank of England), or for any other person whatsoever united or to be united in covenants or partnership exceeding the number of six persons, in that part of Great Britain called England, to borrow, owe, or take up any sum or sums of money on their bills or notes payable at demand, or at any less time than 6 months from the borrowing thereof."

1713: By the 12th Ann, stat. 1, ch. 11, the said Charter was extended or renewed until the expiration of 12 months' notice, to be given after the 1st of August 1742, and until payment by the Public to the Bank of the demands therein specified, being an extension or renewal of the said Charter for Ten years.

1716: By the 3d Geo. I. c. 8, the Bank advanced to Government, at 5 per cent. interest, the sum of - - - - - } £. 2,000,000

Under the 2d Geo. II. c. 3, was paid off - - - - - 500,000

11 Geo. II. c. 27 - - - - - 1,000,000

1,500,000

500,000

1721: By the 8th Geo. I. c. 21, the South Sea Company were authorized to sell £.200,000 per annum Government Annuities, and Corporations purchasing the same at 26 years purchase, were authorized to add the amount to their Capital Stock—

The Bank purchased the whole of this £.200,000 per annum at 20 years purchase, making - - - - - } £.4,000,000

1727: By the 1st Geo. II. c. 8, the Bank advanced to Government - - - 1,750,000

1728: „ 2d Geo. II. c. 3 - - - ditto - - - 1,250,000

1742: By the 15th Geo. II. c. 13, the Charter was extended or renewed until the expiration of 12 months' notice, to be given after the 1st of August 1764, and until payment by the Public to the Bank of the demands in this Act specified, being an extension or renewal of the said Charter for Twenty-two years. Under this Act the Bank advanced the further sum of £.1,600,000 to Government.

1746: By the 19th Geo. II. c. 6, the Bank delivered up to be cancelled £.986,000 Exchequer Bills, in consideration of an annuity of £.39,472, being 3 per cent. per annum.

1764: By the 4th Geo. III. c. 25, the said Charter was extended or renewed until the expiration of 12 months' notice, to be given after the 1st of August 1786, and until payment by the Public to the Bank of the demands therein specified, being an extension or renewal of the said Charter for Twenty-two years.

1781: By the 21st Geo. II. c. 60, the said Charter was extended or renewed until the expiration of 12 months' notice, to be given after the 1st of August 1812, and until payment by the Public to the Bank of the demands therein specified, being an extension or renewal of the said Charter for Twenty-six years.

1800: By the 39th & 40th Geo. III. c. 28, the said Charter was extended or renewed until the expiration of 12 months' notice, to be given after the 1st of August 1833; and until payment by the Public to the Bank, of the demands therein mentioned, being an extension or renewal of the said Charter for Twenty-one years; and s. 13, secures the right and privileges of the Corporation in very strong terms.

1808: 48 Geo. III. c. 4, regulates the allowance to the Bank for the management of the National Debt.

1816: 56 Geo. III. c. 96, enabled the Bank to increase its Capital, and established an Agreement to lend £.3,000,000 to Government.

1826: 7 Geo. IV. c. 46, s. 15. To remove doubts that might arise, enacted, That the Governor and Company of the Bank of England might carry on the trade or business of Banking, at any places in England, by Committees or Agents.

The various Loan Acts also confer privileges upon the Bank. They directed the Bank to open Books for receiving and entering the Contributions of the Subscribers, of sums in consideration of Annuities to be granted, (such Subscribers, and those deriving title under them, being usually denominated "The Public Creditor;") and the Acts proceed to make the Annuities payable at the Bank, and also to provide that the Bank shall continue a corporation so long as any part of the Annuity so created shall remain unredeemed.

The Acts are stated in an abbreviated form in the General Collection of Statutes. The Clause subjoined for continuing the Corporate Character of the Bank, is extracted from 20 Geo. III. c. 16, and is common to all these Acts.

" Provided always, and be it further Enacted, by the authority aforesaid, That the said Governor and Company of the Bank of England, and their Successors, notwithstanding the Redemption of all or any of their own Funds, in pursuance of the Acts for establishing the same, or any of them, shall continue a Corporation for the purposes of this Act, until all the Annuities by this Act granted shall be redeemed by Parliament as aforesaid; and that the said Governor and Company of the Bank of England, or any Member thereof, shall not incur any disability for or by reason of their doing any matter or thing in pursuance of this Act."

There are numerous Acts more or less connected with the Bank, relating to Advances to Government; the Purchase of Government Securities; the Public Balances in the hands of the Bank; Restriction on and Resumption of Cash Payments; Restraining the Negotiation of Promissory Notes under a limited Sum; the Circulation of Tokens; the Protection of the Property of the Bank; the Punishment of Persons guilty of Forgery; Counterfeiting Tokens; and regulating Mode of transacting Business with the Bank, in relation to Accounts directed to be opened there for greater Security. The mere titles of these various Acts extend to about 200 pages.

Appendix, No. 2.

CORRESPONDENCE between the TREASURY and the BANK respecting
COPARTNERSHIPS.

AT a Court of Directors at the Bank, on Thursday 6th April 1826.

THE following Letter from the Chancellor of the Exchequer, with its Enclosure, having been read; viz.

“ The Chancellor of the Exchequer presents his compliments to the Governor and Deputy Governor of the Bank of England, and has the honor of transmitting to them the Copy of a Treasury Minute, relating to certain alterations which their Lordships, advised by the Law Officers of the Crown, deem necessary to be made in the Bill now before Parliament, for the better regulating Copartnerships of certain Bankers in England, &c.

“ The Chancellor of the Exchequer thinks it right at the same time to acquaint the Governor and Deputy Governor, for the information of the Court of Directors, that it has been represented to him by some Bankers of high respectability and great experience, that the limitation of £.50. as the smallest sum for which Bills may be drawn on London by Banking Companies to be established under this Act, would create a very essential impediment to the due management of their business, and would prevent them from undertaking many transactions which could only be settled by Bills upon London for smaller sums than £.50.

“ They conceive that if, instead of the limitation in point of amount, some restrictions with respect to the nature and character of the Bills to be drawn were introduced, they might thereby be enabled to transact their ordinary business without the slightest risk of any interference with the circulation of the Bank of England, in the limits within which its exclusive privileges are to be maintained.

“ The Chancellor of the Exchequer begs leave therefore to recommend these representations to the consideration of the Court of Directors, and to express his hope that they will feel no difficulty in agreeing to the substitution of some provisions, such as are suggested, in lieu of the prohibition to draw Bills for smaller sums than £.50.; whereby he trusts the Bank of England may be effectually secured from any undue interference with their exclusive privileges in London and the surrounding districts, while the serious impediments which the limitation, as it now stands, would oppose to the formation of the new Banking Companies contemplated by the Act, would be removed.”

“ Downing Street, April 5th, 1826.”

“ My Lords read the Bill entitled, ‘ An Act for the better regulating Copartnerships of certain Bankers in England,’ &c.

“ My Lords are informed by the Law Officers of the Crown, that in the Clause (at page 4) of this Bill, intended to be framed in conformity with the provisions contained in a Clause of the Act 6 Geo. IV. c. 42, of which a Copy was transmitted, in a Paper dated the 26th January 1826, to Lord Liverpool and the Chancellor of the Exchequer, by the Governor and Deputy Governor of the Bank of England, there are two points which appear to them to require alteration.

“ 1st. That the words ‘ or payable at any less time than six months from the borrowing of the money therein mentioned,’ as applicable to any Bill or Note which any person may be authorized to pay, issue or re-issue in London, in behalf of any Banking Company to be established under the Act, are not to be found in the Clause of the Act 6 Geo. IV. c. 42, referred to by the Bank of England, and ought therefore to be struck out of the Bill now before Parliament.

“ 2d. That the word ‘ owe’ ought also to be struck out of the latter part of the same Clause, whereby it is declared that the Act shall not be construed ‘ to extend to authorize any member or agent of such Banking Company to borrow, owe, or take up in London or within 65 miles thereof, any sum or sums of money on any Bill or Promissory Note of any such Company, payable on demand, or at any less time than six months from the borrowing thereof,’ because if the word ‘ owe’ be allowed to remain, it may be construed as prohibiting any such Company from drawing from the place of their establishment any Bill of whatever amount, payable at a less period than six months in London, inasmuch as the Company may be said to ‘ owe’ the amount of such Bill in London, if it is made payable there; a prohibition which would be at variance with, or add a further restriction to the provision in the

former part of the said Clause, by which any Banking Companies to be established under the Act are only restrained from drawing Bills upon any Partner or Agent in London for a less amount than £.50.

" My Lords having again read the Clause, and having considered the objections of the Law Officers, are of opinion that the words introduced into the Clause, and which are not contained in the Act referred to in the Paper transmitted from the Bank of England, ought to be expunged. They are also of opinion, that under the construction to which, in the judgment of the Law Officers of the Crown, the word 'owe' in the latter part of the Clause is liable, the limitation of the restrictive provision relating to the Drawing of Bills upon London, contained in the former part of the same Clause, might be rendered entirely nugatory; and they therefore conceive that the inconsistency which would arise under this construction of the word 'owe' would be removed by the omission of it in this part of the Bill.

" My Lords therefore request that the Chancellor of the Exchequer will communicate to the Bank of England the above alterations, which it appears to them to be indispensably necessary to propose in the Bill now under consideration in its progress through Parliament."

Resolved,

THAT they be referred to the Committee of Treasury, for their consideration, with power to act as they may deem expedient.

AT a Court of Directors at the Bank, on Thursday the 13th April 1826,

The Governor reported, that the Committee of Treasury had, in obedience to the Resolution of the last Court, taken into consideration the Letter of the Chancellor of the Exchequer, and the Minute of the Lords of the Treasury, which it transmitted, and had conversed with the Law Officers of the Bank, who had drawn two Clauses, mitigating, as far as was consistent with the power of the Court, the objections stated to the retaining of the word "owe;" which two Clauses (copies of which were now laid on the table) had been submitted to the First Lord of the Treasury and the Chancellor of the Exchequer, by the Governor and Deputy Governor, but were not considered satisfactory.

Under the circumstances, the Committee did not feel justified in making further concession; and on the subject of reducing the sum for which new Establishments of more than six Partners might draw below Fifty Pounds, they could not consent to any alteration, the sanction of the Court of Proprietors being indispensable.

" **CLAUSE 1.**—That from and after the passing of this Act, it shall and may be lawful for any Bodies Politic or Corporate erected for the purposes of Banking, or for any number of Persons united in covenants or partnership, although such persons so united or carrying on business together shall consist of more than six in number, to carry on the trade or business of Bankers, in like manner as Co-partnerships of Bankers consisting of not more than six in number may lawfully do; and for such Bodies Politic and Corporate, or such Persons so united as aforesaid, to make and issue their Bills or Notes at any place or places in England, exceeding the distance of sixty-five miles from London, such Bills or Notes being made payable on demand, and not otherwise, at some place or places specified upon such Bills or Notes, exceeding the distance of sixty-five miles from London, and not elsewhere, and to borrow, owe or take up any sum or sums of money on their Bills or Notes so made and issued, and made payable as aforesaid, AND ALSO TO DRAW UPON A PERSON OR PERSONS IN LONDON, FOR OR ON ACCOUNT OF MONEY BORROWED OR TAKEN UP AT ANY PLACE NOT LESS THAN SIXTY-FIVE MILES FROM LONDON, BILLS OF EXCHANGE FOR SUMS RESPECTIVELY NOT LESS THAN FIFTY POUNDS, PAYABLE TO ORDER AT NOT LESS THAN TWO MONTHS DATE FROM THE BORROWING OR TAKING UP OF THE MONEY THEREIN MENTIONED: Provided always, That the Corporation, or Persons carrying on such trade or business of Bankers, shall not have any house of business or establishment as Bankers in London, or within the distance of sixty-five miles thereof; and that every Member of any such corporation or partnership shall be liable and responsible for the due payment of all Bills and Notes issued, and for all sums of Money borrowed, owed or taken up by the corporation or partnership of which such person shall be a member, such person being a member at the date of the Bills or Notes, or becoming or being a member before or at the time of the Bills or Notes being payable, or being a member at the time of the borrowing, owing or taking up any sum or sums upon any Bills or Notes by the corporation or partnership, or while any sum of Money on any Bills or Notes is owing or unpaid, or at the time the same became due from the corporation or partnership; any agreement, covenant or contract to the contrary notwithstanding."

" I have perused and approve this Draft of Clause 1, with the Amendments.

" Linc. Inn, April 6, 1826."

" J. B. Bosanquet."

" **CLAUSE**

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10 " **CLAUSE 4.**—Provided always, and be it further Enacted, That nothing in this Act contained shall extend or be construed to extend to enable or authorize any such Corporation, or any Persons so carrying on the trade or business of Bankers, either by any member of or person belonging to any such Corporation, or any person united with others in covenants or partnerships or otherwise in such trade or business, or by any agent or agents or any other person or persons on behalf of any such Corporation or persons so carrying on the trade or business of Bankers, to pay, issue, or re-issue at London, or within sixty-five miles thereof, any Bill or Note of such Corporation or persons carrying on such trade or business of Bankers, which shall be payable to Bearer or on Demand, or payable at any less time than *two* months from the borrowing or taking up of the Money therein mentioned, or any Bank Post Bill; nor to draw upon any partner, agent or other person or persons who may be resident in London, or within sixty-five miles thereof, any Bill of Exchange which shall be payable to BEARER, OR TO THE ORDER OF THE DRAWER, OR OF ANY PAYEE OTHER THAN THE PERSONS ACTUALLY ADVANCING THE MONEY THEREIN MENTIONED, OR ON DEMAND, OR AT LESS DATE THAN TWO MONTHS, or which shall be for a less amount than Fifty Pounds; nor shall any thing in this Act contained extend or be construed to extend to enable or authorize any such Corporation or persons so carrying on such trade or business of Bankers, or any member or agent or agents of any such Corporations or persons to borrow, owe, or take up in London or within sixty-five miles thereof, any sum or sums of Money, or any Bill or Promissory Note of any such Corporation or persons, payable on demand, or at any less time than six months from the borrowing thereof, or to make or issue any Bill or Bills of Exchange or Promissory Note or Notes of such Corporation or persons, contrary to the provisions of the said recited Act of the Thirty-ninth and Fortieth years of King George the Third, save as expressly provided by this Act in that behalf."

" I have perused and approve this Draft of Clause 4, with the Amendments.

" Linc. Inn, April 6, 1826."

" J. B. Bosanquet."

At a Court of Directors at the Bank, on Thursday the 20th April 1826.

THE following Letter from the First Lord of the Treasury and the Chancellor of the Exchequer, with its Enclosure, having been read; viz.

" Gentlemen,

" Treasury Chambers, 18th April 1826."

" WE have the honour of transmitting to you a Paper herewith enclosed, relating to certain points in the provisions of the Bill now before Parliament for the Amendment of the Bank Charter Acts, together with the Alterations which we deem it necessary to propose, in order to give effect to the agreement with the Bank of England upon which the Bill was introduced.

" We take this opportunity of recalling your attention to that part of the communication addressed to you by the Chancellor of the Exchequer on the 5th instant, in which he adverted to the representations which had been made to him by some highly respectable Persons connected with some of the most eminent Banking Establishments, relating to the inconvenience which would be imposed upon the Banks proposed to be established, if the limitation of 50*l.* as the lowest sum for which Bills of Exchange might be drawn by such Banks upon London were to be maintained, while they conceived that the Bank of England, if it should abandon that limitation, might be as effectually secured against the introduction of any currency that could interfere with its own, by some restrictions to be imposed with respect to the form and character of the Bills which it might be made lawful to draw.

" We have the honour to be,

" Gentlemen,

" Your obedient humble Servants,

" Liverpool.

" Frederick John Robinson."

" The Governor and Deputy Governor
of the Bank of England."

" Treasury Chambers, 18th April 1826."

" THE Bill now before Parliament for the Amendment of the Bank Charter Acts, appears, after a further consideration, and a full discussion of its several provisions, to be imperfect in two very important points, with reference to the agreement on the part of the Bank of England, that the measure for the establishment of Banks without limitation of the number of partners, at a distance more than sixty-five miles from London, should be framed upon the basis of the Act of the 6th Geo. IV. c. 42, 'for the Regulation of Co-partnerships of certain Bankers in Ireland.'

" I. The Bill is supposed to admit of a doubtful construction, with respect to the power of the proposed Banks to employ agents in London to discount Bills with the funds of such Banks, the Bills not being drawn either by or upon the Banks; but because it is apprehended by some persons that such transaction, although wholly foreign to the circulation

of the Promissory Notes, or any description of paper issued by the Banks themselves or their agents, may be considered as being prohibited by the words of the second clause (page 2) providing 'that such Corporations or Persons carrying on such trade or business of Bankers in co-partnership shall not have any house of business or establishment as Bankers in London;' and by the operation of the Clause (page 4) in which it is enacted, that nothing in the Act shall prejudice, alter or affect any of the rights, powers or privileges of the Bank, except as the said exclusive privilege of the Bank is by the Act *specially altered and varied*.

"It is however maintained on the other hand, that the discounting Bills of Exchange by an agent would not constitute the having a Banking Establishment, or acting as a Banker within the meaning of the Bill.

"Upon this point, the First Lord of the Treasury and the Chancellor of the Exchequer are of opinion that the doubts ought to be removed by the insertion of such words as may be necessary for declaring that such transactions by an agent are not intended to be prohibited by the Act.

"II. The Bill appears to be imperfect, inasmuch as the terms of the third Clause (page 3) would impose a complete restriction upon the discharge of the Promissory Notes of the proposed Banks by any agent in London on their behalf.

"Although the terms of the Clause which convey this restriction are the same as those which are used in the Act 6 Geo. IV. c. 42, the prohibition of so paying their Notes in Dublin is stated not to exist with respect to the Provincial Banks of Ireland, because the power of so employing an agent is said to be given by a subsequent clause in that Act, and has, in pursuance thereof, been constantly exercised. (See sect. 3, Act 6 Geo. IV. c. 42.)

"Upon this point, Lord Liverpool and the Chancellor of the Exchequer conceive that either the Clause in the present Bill should be amended by the omission of the word '*pay*' in the eighth line preceding the words '*issue or re-issue*,' or that a declaratory clause of the same force and effect as that which was introduced into the 6 Geo. 4, c. 42, should be inserted in the present Bill, in order to extend to the Banks to be established under it in England the same privileges as were conceded to those which are or may be established under the former Act in Ireland. Such being the principle and foundation upon which the Bank of England acceded to the proposition of Lord Liverpool and Mr. Robinson, as expressed in their communication of the 26th January 1826."

Resolved,

THAT this Court admits that the Act for the better regulation of Co-partnerships of certain Bankers in Ireland, 6 Geo. IV, c. 42, was taken as the basis of the agreement entered into with the First Lord of the Treasury and the Chancellor of the Exchequer and the Bank of England on the 25th and 30th January last, two particular Clauses more immediately bearing on the subject having been transmitted by it, as comprehending, in its judgment, the spirit of that agreement; which Clauses it was agreed should be inserted in the Bill which would be necessary to give effect to the new arrangement. But as a more extensive construction appears to be given by a subsequent clause of that Act, and also by the practice in Ireland, an agent being allowed in Dublin, this Court does not object to such an agent in London, provided he does those acts only which the intended Companies may lawfully do. If discounting of Bills not drawn by or upon the proposed Banking Companies be within those powers, this Court is not disposed to interfere.

That in its understanding of the Act of 6 Geo. IV, c. 42, the agent in Dublin, and consequently that in London, under the English Act now framing, cannot pay any Bills or Promissory Notes which have been drawn at less than six months sight or date, nor for a less sum than £.50; and this is admitted in Lord Liverpool's and the Chancellor of the Exchequer's Paper, although a subsequent clause referred to is said to remove that prohibition, and under that removal the right of acting otherwise has been exercised. In this situation, this Court has only to repeat its view of the case, and to submit to a fair interpretation of it.

That in respect of reducing below £.50 the sum for which the proposed Companies can draw on London, this Court, after repeated and mature consideration, cannot recommend to their Court of Proprietors any alteration; it being, in the opinion of this Court, essential that such a limit should be fixed and adhered to, rather than be reduced even under restrictions, as alluded to in the Letter of Lord Liverpool and the Chancellor of the Exchequer.

Resolved,

THAT the Governor and Deputy Governor be requested to lay the foregoing Resolution before the First Lord of the Treasury and the Chancellor of the Exchequer.

Bank of England,
9th June 1832.

John Knight, Secretary.

Appendix, No. 3.

CASE and OPINION of Sir *James Scarlett*, on Act 7 GEO. IV. c. 46. s. 9. 13.

You are requested to peruse the Act of 7th Geo. IV. cap. 46 (a copy of which is left herewith), and to state your opinion, whether any persons becoming members of a Corporation or Co-partnership for carrying on the business of Bankers under the provisions of that Act, or their separate and private estates, can be made liable to the payment of the bills, debts, &c. of such Corporation, by any proceeding at law, otherwise than by the one, to be instituted against any one or more of the public officers of such Corporation, as mentioned in section 9: and if they or their separate and private estates cannot otherwise be made liable, whether the execution first mentioned in section 13 of the Act is not confined to such persons, being, at the time of issuing it, members of the Corporation, as had continued members from the time the contract or engagement in which the judgment was obtained was entered into. And in all cases where a person, having been a member at the time of the contract or engagement, had retired from the Corporation, or had become a member after the contract or engagement had been entered into, but prior to its completion, or had subsequently become a member prior to the judgment, whether execution can be sued out against the persons or their separate or private property of such last-mentioned parties, without leave first granted on motion in open Court, by the Court in which judgment shall have been obtained, upon notice to such parties, and whether personal notice on such parties will be considered necessary, and, if so, what course is to be pursued in case any such parties absent themselves, so that they cannot personally be served.

1st—I am of opinion, that no member of a Corporation or Co-partnership formed under the Act in question, can be made liable to any judgment, either in his person or in his effects, except by the form of proceeding against some public officer of the Company, pointed out in section 9.

2d—I think the execution, according to clause 13, may be issued against any person who is a member of the Company at the time of issuing it; and in case such judgment should not be effectual, then against any person who was a member at the time the contract was made upon which the judgment was founded, or became a member before such contract was to have been executed, or was a member at the time the judgment was obtained. This clause appears to me to carry the liability a step farther than the proviso in the first clause, by making any member who became so between the time of the judgment and execution, liable to the execution, if he be, at the time of issuing it, a member.

3d—If there had been no proviso at the close of the 13th clause, I should have thought that no execution could issue against any person not a party to the record, without a suggestion being first entered upon the record that such a person is a member of the Company; and I am inclined to think, notwithstanding the proviso, that such suggestion would be necessary, and that it could not be made without leave of the Court. But it is clear that by the words of the proviso, no execution can issue against any person not being then actually a member, without leave of the Court being first granted upon motion.

There was lately a case in the Court of King's Bench, when the Court discharged Sir A. King from an execution issued against him as a member of an Insurance Society in Ireland, because the action had been brought under the Act constituting the Society, against the Actuary, although the Act contained a clause permitting the execution to issue against individual members, without any such proviso as is found in the 13th section. I contended, in that case, that the Court could not permit its process to be used against the goods or person of any individual without some warrant appearing by affidavit, or upon the record, to justify it; and, after some consideration, the Court adopted that principle.

New-street, 4th June 1832.

J. Scarlett.

The motion in open Court implies notice to the parties, as the Court would only grant a rule to show cause.

J. S.

Appendix, No. 4.

THE following are the only Communications received from Government in 1825/6, proposing any Guarantee for ADVANCES made by The BANK upon any Securities whatever.

At a Court of Directors at the Bank, Tuesday, 13th December 1825,

The Governor laid before the Court the following Note from the First Lord of the Treasury and the Chancellor of the Exchequer; viz.

“In order to relieve the present distress in the Money Market, the First Lord of the Treasury and Chancellor of the Exchequer are prepared to give immediate directions for the

the purchase of 300,000*l.* Exchequer Bills, in addition to the 200,000*l.* which, they understand, the Bank directed to be purchased yesterday.

"If it should be thought, however, more advisable that the whole 500,000*l.* should be purchased by the Bank on their own account, the First Lord of the Treasury and the Chancellor of the Exchequer will be prepared, if the Bank should require it, immediately to redeem the same."

"Treasury Chambers,
December 13, 1825."

(signed) "Liverpool."

"Frederick John Robinson."

Resolved,

That the Governor be authorized to order the purchase of Exchequer Bills to the amount of 500,000*l.* upon the conditions specified therein.

At a Court of Directors at the Bank, Thursday, 16th February 1826,

The Governor laid before the Court the following Letter from the First Lord of the Treasury and the Chancellor of the Exchequer; viz.

"Gentlemen,

"Fife House, 14th February 1826."

"Under all the circumstances of the present distress in the City and Country, it appears to us that it would be advantageous, with a view to public and private credit, if the Bank were to give directions for the purchase of Exchequer Bills to the amount of 2,000,000*l.*

"If the Bank shall agree to this proposal, we engage to submit to Parliament the necessary measures for the repayment of the same between this period and the 14th of June next.

"We have the honour to be, Gentlemen,

Your most obedient Servants,

"To the Governor and Deputy Governor
of the Bank of England."

(signed) "Liverpool."

"Frederick John Robinson."

Resolved,

That the Governor be authorized to purchase Exchequer Bills to an amount not exceeding 2,000,000*l.*, on condition that the repayment be made within four months.

At a Court of Directors at the Bank, Tuesday, 28th February 1826,

The Governor laid before the Court the following Letter and Memorandum from Lord Liverpool and the Chancellor of the Exchequer; viz.

"Gentlemen,

"Fife House, February 28th, 1826."

"In order to prevent any misapprehension upon the subject of our discussion yesterday, We think it right to transmit to you the inclosed Memorandum, explanatory of the several points which we then brought under your consideration.

"We have the honour to be, Gentlemen,

Your most obedient humble Servants,

"The Governor and Deputy Governor
of the Bank."

(signed) "Liverpool."

"F. J. Robinson."

"MEMORANDUM:

"1. In the event of the Bank consenting to advance Money upon the security of Goods, under the present circumstances of the country, it is understood that these Advances should not exceed the sum of Three Millions in the whole.

"2. That assimilating the principle of these advances to Advances made in the ordinary course of discount upon Bills of Exchange, they shall be subject to repayment in Three months.

"3. The Government to propose to Parliament that the provisions of the Act respecting Merchant and Factor, which will be in force in October next, shall be brought into immediate operation, in respect to any goods which may be pledged to the Bank under the proposed arrangement.

"4. If the Bank should think proper to make Advances in conformity to these suggestions, the Government engage to submit to Parliament the necessary measures for enabling them to reduce the present amount of the Advances of the Bank to the Government, by a repayment of Six Millions; such repayment to be made as soon as may be practicable, and, at all events, before the close of the present Session of Parliament."

Resolved,

That this Court having distinctly understood the determination of His Majesty's Government not to make any Advances for the relief of the Commercial Distress now prevailing, reluctantly consent to undertake the Measure proposed, to an extent not exceeding Three Millions, upon the terms and conditions expressed in the communication of the First Lord of the Treasury and the Chancellor of the Exchequer.

Note.—All other Advances made by the Bank, either upon purchase of Exchequer Bills, or by discount of Commercial Bills, were exclusively upon the responsibility of the Bank.

Bank of England,
9th June 1832.

John Knight, Secy.

Appendix, No. 5.

AN ACCOUNT of the Amount of the NOTES of the BANK of ENGLAND in CIRCULATION, distinguishing those under £.5, of the Amount of all DEPOSITS, and of the Amount of all SECURITIES held by the BANK, on the 28th February and 31st August in each Year, from the Year 1778 to 7th August 1832, (so far as the same can be ascertained.)

28 February 1778:		£.	28 February 1778:		£.
Circulation	- - - -	7,440,330	Securities	{ Public - 7,898,292 Private - 3,322,228 }	11,220,520
Deposits	- - - -	4,662,150	Bullion	- - - -	2,010,690
	£.	12,102,480	- - - Rest, £.1,128,730.	£.	13,231,210
31 August 1778:			31 August 1778:		
Circulation	- - - -	6,758,070	Securities	{ Public - 6,540,433 Private - 3,087,537 }	9,627,970
Deposits	- - - -	4,715,580	Bullion	- - - -	3,128,420
	£.	11,473,650	- - - Rest, £.1,282,740.	£.	12,756,390
28 February 1779:			28 February 1779:		
Circulation	- - - -	9,012,610	Securities	{ Public - 8,862,242 Private - 2,073,668 }	10,935,910
Deposits	- - - -	4,358,160	Bullion	- - - -	3,711,150
	£.	13,370,770	- - - Rest, £.1,276,290.	£.	14,647,060
31 August 1779:			31 August 1779:		
Circulation	- - - -	7,276,540	Securities	{ Public - 7,493,649 Private - 2,356,191 }	9,849,840
Deposits	- - - -	5,201,040	Bullion	- - - -	3,983,300
	£.	12,477,580	- - - Rest, £.1,355,560.	£.	13,833,140
29 February 1780:			29 February 1780:		
Circulation	- - - -	8,410,790	Securities	{ Public - 9,145,659 Private - 1,755,371 }	10,901,030
Deposits	- - - -	4,723,890	Bullion	- - - -	3,581,060
	£.	13,134,680	- - - Rest, £.1,347,410.	£.	14,482,090
31 August 1780:			31 August 1780:		
Circulation	- - - -	6,341,600	Securities	{ Public - 6,740,514 Private - 3,605,026 }	10,345,540
Deposits	- - - -	6,655,800	Bullion	- - - -	4,179,370
	£.	12,997,400	- - - Rest, £.1,527,510.	£.	14,524,910
28 February 1781:			28 February 1781:		
Circulation	- - - -	7,092,450	Securities	{ Public - 8,640,073 Private - 2,546,067 }	11,186,140
Deposits	- - - -	5,796,830	Bullion	- - - -	3,279,940
	£.	12,889,280	- - - Rest, £.1,576,800.	£.	14,466,080

Amount of Notes in Circulation, and Deposits, and Securities held by the Bank—*continued.*

31 August 1781:		£.	31 August 1781:		£.
Circulation	- - - -	6,309,430	Securities	{ Public - 6,609,457 Private - 4,501,053 }	11,110,510
Deposits	- - - -	5,921,630	Bullion	- - - -	2,862,590
	£.	12,231,060	- - - Rest, £.1,742,040.	£.	13,973,100
28 February 1782:			28 February 1782:		
Circulation	- - - -	8,028,880	Securities	{ Public - 10,346,055 Private - 3,448,015 }	13,794,070
Deposits	- - - -	6,130,300	Bullion	- - - -	2,157,860
	£.	14,159,180	- - - Rest, £.1,792,750.	£.	15,951,930
31 August 1782:			31 August 1782:		
Circulation	- - - -	6,759,310	Securities	{ Public - 8,987,573 Private - 4,496,217 }	13,483,790
Deposits	- - - -	6,759,450	Bullion	- - - -	1,956,550
	£.	13,518,760	- - - Rest, £.1,921,580.	£.	15,440,340
28 February 1783:			28 February 1783:		
Circulation	- - - -	7,675,090	Securities	{ Public - 10,016,349 Private - 2,779,431 }	12,795,780
Deposits	- - - -	4,465,000	Bullion	- - - -	1,321,190
	£.	12,140,090	- - - Rest, £.1,976,880.	£.	14,116,970
30 August 1783:			30 August 1783:		
Circulation	- - - -	6,307,270	Securities	{ Public - 9,566,037 Private - 4,275,763 }	13,841,800
Deposits	- - - -	6,105,650	Bullion	- - - -	590,080
	£.	12,412,920	- - - Rest, £.2,018,960.	£.	14,431,880
28 February 1784:			28 February 1784:		
Circulation	- - - -	6,202,760	Securities	{ Public - 7,789,291 Private - 3,829,929 }	11,619,220
Deposits	- - - -	3,903,920	Bullion	- - - -	655,840
	£.	10,106,680	- - Rest, £.2,168,380.	£.	12,275,060
31 August 1784:			31 August 1784:		
Circulation	- - - -	5,592,510	Securities	{ Public - 8,435,777 Private - 4,088,603 }	12,524,380
Deposits	- - - -	6,267,130	Bullion	- - - -	1,539,830
	£.	11,859,640	- - - Rest, £.2,204,570.	£.	14,064,210
28 February 1785:			28 February 1785:		
Circulation	- - - -	5,923,090	Securities	{ Public - 7,198,564 Private - 4,978,926 }	12,172,490
Deposits	- - - -	6,669,160	Bullion	- - - -	2,740,820
	£.	12,592,250	- - - Rest, £.2,321,060.	£.	14,913,310
31 August 1785:			31 August 1785:		
Circulation	- - - -	6,570,650	Securities	{ Public - 6,725,891 Private - 3,218,679 }	9,944,570
Deposits	- - - -	6,252,030	Bullion	- - - -	5,487,040
	£.	12,822,680	- - - Rest, £.2,608,930.	£.	15,431,610

Amount of Notes in Circulation, and Deposits, and Securities held by the Bank—continued.

28 February 1786:		£.	28 February 1786:		£.
Circulation	- - - -	7,581,960	Securities	{ Public - 6,836,459 Private - 3,516,781 }	10,353,240
Deposits	- - - -	6,151,660	Bullion	- - - -	5,979,090
	£.	13,733,620	- - - Rest, £.2,598,710.	£.	16,332,330
31 August 1786:			31 August 1786:		
Circulation	- - - -	8,184,330	Securities	{ Public - 7,988,241 Private - 2,390,539 }	10,378,780
Deposits	- - - -	5,867,240	Bullion	- - - -	6,311,050
	£.	14,051,570	- - - Rest, £.2,638,260.	£.	16,689,830
28 February 1787:			28 February 1787:		
Circulation	- - - -	8,329,840	Securities	{ Public - 7,642,587 Private - 3,716,463 }	11,359,050
Deposits	- - - -	5,902,080	Bullion	- - - -	5,626,690
	£.	14,231,920	- - - Rest, £.2,753,820.	£.	16,985,740
31 August 1787:			31 August 1787:		
Circulation	- - - -	9,685,720	Securities	{ Public - 8,066,303 Private - 3,787,357 }	11,853,660
Deposits	- - - -	5,631,540	Bullion	- - - -	6,293,000
	£.	15,317,260	- - - Rest, £.2,829,400.	£.	18,146,660
29 February 1788:			29 February 1788:		
Circulation	- - - -	9,561,120	Securities	{ Public - 7,833,857 Private - 4,030,653 }	11,864,510
Deposits	- - - -	5,177,050	Bullion	- - - -	5,743,440
	£.	14,738,170	- - - Rest, £.2,869,780.	£.	17,607,950
30 August 1788:			30 August 1788:		
Circulation	- - - -	10,002,880	Securities	{ Public - 8,840,068 Private - 2,730,252 }	11,570,320
Deposits	- - - -	5,528,640	Bullion	- - - -	6,899,160
	£.	15,531,520	- - - Rest, £.2,937,960.	£.	18,469,480
28 February 1789:			28 February 1789:		
Circulation	- - - -	9,807,210	Securities	{ Public - 8,249,582 Private - 2,711,108 }	10,960,690
Deposits	- - - -	5,537,370	Bullion	- - - -	7,228,730
	£.	15,344,580	- - - Rest, £.2,844,840.	£.	18,189,420
31 August 1789:			31 August 1789:		
Circulation	- - - -	11,121,800	Securities	{ Public - 9,661,859 Private - 2,035,901 }	11,697,760
Deposits	- - - -	6,402,450	Bullion	- - - -	8,645,860
	£.	17,524,250	- - - Rest, £.2,819,370.	£.	20,343,620
28 February 1790:			28 February 1790:		
Circulation	- - - -	10,040,540	Securities	{ Public - 8,347,387 Private - 1,984,733 }	10,332,120
Deposits	- - - -	6,223,270	Bullion	- - - -	8,633,000
	£.	16,263,810	- - - Rest, £.2,701,310.	£.	18,965,120

Amount of Notes in Circulation, and Deposits, and Securities held by the Bank—*continued.*

31 August 1790:		£.	31 August 1790:		£.
Circulation	- - - -	11,433,340	Securities	{ Public - 10,047,257 Private - 1,956,263 }	12,003,520
Deposits	- - - -	6,199,200	Bullion	- - - -	8,386,330
	£.	17,632,540	- - - Rest, £. 2,757,310.	£.	20,389,850
28 February 1791:			28 February 1791:		
Circulation	- - - -	11,439,200	Securities	{ Public - 10,380,358 Private - 2,222,282 }	12,602,640
Deposits	- - - -	6,364,550	Bullion	- - - -	7,869,410
	£.	17,803,750	- - - Rest, £. 2,668,300.	£.	20,472,050
31 August 1791:			31 August 1791:		
Circulation	- - - -	11,672,320	Securities	{ Public - 10,921,300 Private - 1,898,640 }	12,819,940
Deposits	- - - -	6,437,730	Bullion	- - - -	8,055,510
	£.	18,110,050	- - - Rest, £. 2,765,400.	£.	20,875,450
29 February 1792:			29 February 1792:		
Circulation	- - - -	11,307,380	Securities	{ Public - 9,938,799 Private - 3,129,761 }	13,068,560
Deposits	- - - -	5,523,370	Bullion	- - - -	6,468,060
	£.	16,830,750	- - - Rest, £. 2,705,870.	£.	19,536,620
31 August 1792:			31 August 1792:		
Circulation	- - - -	11,006,300	Securities	{ Public - 10,715,041 Private - 3,190,869 }	13,905,910
Deposits	- - - -	5,526,480	Bullion	- - - -	5,357,380
	£.	16,532,780	- - - Rest, £. 2,730,510.	£.	19,263,290
28 February 1793:			28 February 1793:		
Circulation	- - - -	11,888,910	Securities	{ Public - 9,549,209 Private - 6,456,041 }	16,005,250
Deposits	- - - -	5,346,450	Bullion	- - - -	4,010,680
	£.	17,235,360	- - - Rest, £. 2,780,570.	£.	20,015,930
31 August 1793:			31 August 1793:		
Circulation	- - - -	10,865,050	Securities	{ Public - 10,381,838 Private - 4,427,842 }	14,809,680
Deposits	- - - -	6,442,810	Bullion	- - - -	5,322,010
	£.	17,307,860	- - - Rest, £. 2,823,830.	£.	20,131,690
28 February 1794:			28 February 1794:		
Circulation	- - - -	10,744,020	Securities	{ Public - 9,950,756 Private - 4,573,794 }	14,524,550
Deposits	- - - -	7,891,810	Bullion	- - - -	6,987,110
	£.	18,635,830	- - - Rest, £. 2,875,830.	£.	21,511,660
30 August 1794:			30 August 1794:		
Circulation	- - - -	10,286,780	Securities	{ Public - 8,863,048 Private - 3,583,412 }	12,446,460
Deposits	- - - -	5,935,710	Bullion	- - - -	6,770,110
	£.	16,222,490	- - - Rest, £. 2,994,080.	£.	19,216,570

Amount of Notes in Circulation, and Deposits, and Securities held by the Bank—continued.

28 February 1795:		£.	28 February 1795:		£.
Circulation	- - - -	14,017,510	Securities	{ Public - 13,164,172 Private - 3,647,168 }	16,811,340
Deposits	- - - -	5,973,020	Bullion	- - - -	6,127,720
	£.	19,990,530	- - - Rest, £. 2,948,530.	£.	22,939,060
31 August 1795:			31 August 1795:		
Circulation	- - - -	10,862,200	Securities	{ Public - 13,250,904 Private - 3,739,016 }	16,989,920
Deposits	- - - -	8,154,980	Bullion	- - - -	5,136,350
	£.	19,017,180	- - - Rest, £. 3,109,090.	£.	22,126,270
29 February 1796:			29 February 1796:		
Circulation	- - - -	10,729,520	Securities	{ Public - 12,951,812 Private - 4,188,028 }	17,139,840
Deposits	- - - -	5,702,360	Bullion	- - - -	2,539,630
	£.	16,431,880	- - - Rest, £. 3,247,590.	£.	19,679,470
31 August 1796:			31 August 1796:		
Circulation	- - - -	9,246,790	Securities	{ Public - 10,875,347 Private - 6,150,123 }	17,025,470
Deposits	- - - -	6,656,320	Bullion	- - - -	2,122,950
	£.	15,903,110	- - - Rest, £. 3,245,310.	£.	19,148,420
28 February 1797:			28 February 1797:		
Circulation	- - - -	9,674,780	Securities	{ Public - 11,714,431 Private - 5,123,319 }	16,837,750
Deposits	- - - -	4,891,530	Bullion	- - - -	1,086,170
	£.	14,566,310	- - - Rest, £. 3,357,610.	£.	17,923,920
31 August 1797:			31 August 1797:		
Circulation— Bank Notes of £. 5 and upwards, & Post Bills } 10,246,535 Bank Notes under £. 5. - 867,585		11,114,120	Securities	{ Public - 8,765,224 Private - 9,495,946 }	18,261,170
Deposits	- - - -	7,765,350	Bullion	- - - -	4,089,620
	£.	18,879,470	- - - Rest, £. 3,471,320.	£.	22,350,790
28 February 1798:			28 February 1798:		
Circulation— Bank Notes of £. 5 and upwards, & Post Bills } 11,647,610 Bank Notes under £. 5 - 1,448,220		13,095,830	Securities	{ Public - 11,241,333 Private - 5,558,167 }	16,799,500
Deposits	- - - -	6,148,900	Bullion	- - - -	5,828,940
	£.	19,244,730	- - - Rest, £. 3,383,710.	£.	22,628,440
31 August 1798:			31 August 1798:		
Circulation— Bank Notes of £. 5 and upwards, & Post Bills } 10,649,550 Bank Notes under £. 5 - 1,531,060		12,180,610	Securities	{ Public - 10,930,038 Private - 6,419,602 }	17,349,640
Deposits	- - - -	8,300,720	Bullion	- - - -	6,546,100
	£.	20,481,330	- - - Rest, £. 3,414,410.	£.	23,895,740
28 February 1799:			28 February 1799:		
Circulation— Bank Notes of £. 5 and upwards, & Post Bills } 11,494,150 Bank Notes under £. 5 - 1,465,650		12,959,800	Securities	{ Public - 11,510,677 Private - 5,528,353 }	17,039,030
Deposits	- - - -	8,131,820	Bullion	- - - -	7,563,900
	£.	21,091,620	- - - Rest, £. 3,511,310.	£.	24,602,930

Amount of Notes in Circulation, and Deposits, and Securities held by the Bank—*continued.*

31 August 1799 :		£.	31 August 1799 :		£.
Circulation—			Securities — { Public - 9,452,955 } Private - 7,477,485		16,930,440
Bank Notes of £. 5 and upwards, & Post Bills	12,047,790	13,389,490	Bullion - - - - -		7,000,780
Bank Notes under £. 5	1,341,700	7,642,240	- - - Rest, £. 2,899,490.		23,931,220
Deposits - - - - -		£. 21,031,730			
28 February 1800 :			28 February 1800 :		
Circulation—			Securities — { Public - 13,975,663 } Private - 7,448,387		21,424,050
Bank Notes of £. 5 and upwards, & Post Bills	15,372,930	16,844,470	Bullion - - - - -		6,144,250
Bank Notes under £. 5	1,471,540	7,062,680	- - - Rest, £. 3,661,150.		27,568,300
Deposits - - - - -		£. 23,907,150			
31 August 1800 :			31 August 1800 :		
Circulation—			Securities — { Public - 13,586,590 } Private - 8,551,830		22,138,420
Bank Notes of £. 5 and upwards, & Post Bills	13,448,540	15,047,180	Bullion - - - - -		5,150,450
Bank Notes under £. 5	1,598,640	8,335,060	- - - Rest, £. 3,906,630.		27,288,870
Deposits - - - - -		£. 23,382,240			
28 February 1801 :			28 February 1801 :		
Circulation—			Securities — { Public - 15,958,011 } Private - 10,466,719		26,424,730
Bank Notes of £. 5 and upwards, & Post Bills	13,578,520	16,213,280	Bullion - - - - -		4,640,120
Bank Notes under £. 5	2,634,760	10,745,840	- - - Rest, £. 4,105,730.		31,064,850
Deposits - - - - -		£. 26,959,120			
31 August 1801 :			31 August 1801 :		
Circulation—			Securities — { Public - 11,926,873 } Private - 10,282,697		22,209,570
Bank Notes of £. 5 and upwards, & Post Bills	12,143,460	14,556,110	Bullion - - - - -		4,335,260
Bank Notes under £. 5	2,412,650	8,133,830	- - - Rest, £. 3,854,890.		26,544,830
Deposits - - - - -		£. 22,689,940			
28 February 1802 :			28 February 1802 :		
Circulation—			Securities — { Public - 14,199,094 } Private - 7,760,726		21,959,820
Bank Notes of £. 5 and upwards, & Post Bills	12,574,860	15,186,880	Bullion - - - - -		4,152,950
Bank Notes under £. 5	2,612,020	6,858,210	- - - Rest, £. 4,067,680.		26,112,770
Deposits - - - - -		£. 22,045,090			
31 August 1802 :			31 August 1802 :		
Circulation—			Securities — { Public - 13,528,599 } Private - 13,584,761		27,113,360
Bank Notes of £. 5 and upwards, & Post Bills	13,848,470	17,097,630	Bullion - - - - -		3,891,780
Bank Notes under £. 5	3,249,160	9,739,140	- - - Rest, £. 4,168,370.		31,005,140
Deposits - - - - -		£. 26,836,770			
28 February 1803 :			28 February 1803 :		
Circulation—			Securities — { Public - 9,417,887 } Private - 14,497,013		23,914,900
Bank Notes of £. 5 and upwards, & Post Bills	12,350,970	15,319,930	Bullion - - - - -		3,776,750
Bank Notes under £. 5	2,968,960	8,050,240	- - - Rest, £. 4,321,480.		27,691,650
Deposits - - - - -		£. 23,370,170			
31 August 1803 :			31 August 1803 :		
Circulation—			Securities — { Public - 13,336,179 } Private - 13,582,661		26,918,840
Bank Notes of £. 5 and upwards, & Post Bills	12,217,390	15,983,330	Bullion - - - - -		3,592,500
Bank Notes under £. 5	3,765,940	9,817,240	- - - Rest, £. 4,710,770.		30,511,340
Deposits - - - - -		£. 25,800,570			

Amount of Notes in Circulation, and Deposits, and Securities held by the Bank—*continued*.

29 February 1804:		29 February 1804:	
Circulation—	£.	Securities - { Public - 14,684,686 } Private - 12,314,284	£.
Bank Notes of £. 5 and upwards, & Post Bills	12,546,560		26,998,970
Bank Notes under £. 5	4,531,270		
Deposits	8,676,830	Bullion -	3,372,140
	£. 25,754,660	- - - Rest, £. 4,616,450.	£. 30,371,110
31 August 1804:		31 August 1804:	
Circulation—		Securities - { Public - 14,993,395 } Private - 10,833,285	
Bank Notes of £. 5 and upwards, & Post Bills	12,466,790		25,826,680
Bank Notes under £. 5	4,687,100		
Deposits	9,715,530	Bullion -	5,879,190
	£. 26,869,420	- - - Rest, £. 4,836,450.	£. 31,705,870
28 February 1805:		28 February 1805:	
Circulation—		Securities - { Public - 16,889,501 } Private - 11,771,889	
Bank Notes of £. 5 and upwards, & Post Bills	13,011,010		28,661,390
Bank Notes under £. 5	4,860,160		
Deposits	12,083,620	Bullion -	5,883,800
	£. 29,954,790	- - - Rest, £. 4,590,400.	£. 34,545,190
31 August 1805:		31 August 1805:	
Circulation—		Securities - { Public - 11,413,266 } Private - 16,359,584	
Bank Notes of £. 5 and upwards, & Post Bills	11,862,740		27,772,850
Bank Notes under £. 5	4,525,660		
Deposits	14,048,080	Bullion -	7,624,500
	£. 30,436,480	- - - Rest, £. 4,960,870.	£. 35,397,350
28 February 1806:		28 February 1806:	
Circulation—		Securities - { Public - 14,813,599 } Private - 11,777,471	
Bank Notes of £. 5 and upwards, & Post Bills	13,271,520		26,591,070
Bank Notes under £. 5	4,458,600		
Deposits	9,980,790	Bullion -	5,987,190
	£. 27,710,910	- - - Rest, £. 4,867,350.	£. 32,578,260
31 August 1806:		31 August 1806:	
Circulation—		Securities - { Public - 14,167,772 } Private - 15,305,328	
Bank Notes of £. 5 and upwards, & Post Bills	16,757,930		29,473,100
Bank Notes under £. 5	4,269,540		
Deposits	9,636,330	Bullion -	6,215,020
	£. 30,663,800	- - - Rest, £. 5,024,320.	£. 35,688,120
28 February 1807:		28 February 1807:	
Circulation—		Securities - { Public - 13,452,871 } Private - 13,955,589	
Bank Notes of £. 5 and upwards, & Post Bills	12,840,790		27,408,460
Bank Notes under £. 5	4,109,890		
Deposits	11,829,320	Bullion -	6,142,840
	£. 28,780,000	- - - Rest, £. 4,771,300.	£. 33,551,300
31 August 1807:		31 August 1807:	
Circulation—		Securities - { Public - 13,410,055 } Private - 16,526,895	
Bank Notes of £. 5 and upwards, & Post Bills	15,432,990		29,936,950
Bank Notes under £. 5	4,245,370		
Deposits	11,789,200	Bullion -	6,484,350
	£. 31,467,560	- - - Rest, £. 4,953,740.	£. 36,421,300
29 February 1808:		29 February 1808:	
Circulation—		Securities - { Public - 14,149,501 } Private - 13,234,579	
Bank Notes of £. 5 and upwards, & Post Bills	14,093,690		27,384,080
Bank Notes under £. 5	4,095,170		
Deposits	11,961,960	Bullion -	7,855,470
	£. 30,150,820	- - - Rest, £. 5,088,730.	£. 35,239,550

Amount of Notes in Circulation, and Deposits, and Securities held by the Bank—continued.

31 August 1808 :		£.	31 August 1808 :	£.
Circulation—			Securities — { Public - 14,956,394 } 29,244,090	
Bank Notes of £. 5 and upwards, & Post Bills	12,993,020	17,111,290	{ Private - 14,287,696 }	
Bank Notes under £. 5	4,118,270		Bullion - - - - - 6,015,940	
Deposits - - - - -		13,012,510	- - - Rest, £. 5,136,230. £. 35,260,030	
	£.	30,123,800		
28 February 1809 :			28 February 1809 :	
Circulation—			Securities — { Public - 14,743,425 } 29,118,200	
Bank Notes of £. 5 and upwards, & Post Bills	14,241,360	18,542,860	{ Private - 14,374,775 }	
Bank Notes under £. 5	4,301,500		Bullion - - - - - 4,488,700	
Deposits - - - - -		9,982,950	- - - Rest, £. 5,081,090. £. 33,606,900	
	£.	28,525,810		
31 August 1809 :			31 August 1809 :	
Circulation—			Securities — { Public - 15,307,673 } 33,435,270	
Bank Notes of £. 5 and upwards, & Post Bills	14,393,110	19,574,180	{ Private - 18,127,597 }	
Bank Notes under £. 5	5,181,070		Bullion - - - - - 3,652,480	
Deposits - - - - -		12,257,180	- - - Rest, £. 5,256,390. £. 37,087,750	
	£.	31,831,360		
28 February 1810 :			28 February 1810 :	
Circulation—			Securities — { Public - 14,322,634 } 35,378,580	
Bank Notes of £. 5 and upwards, & Post Bills	15,159,180	21,019,600	{ Private - 21,055,946 }	
Bank Notes under £. 5	5,860,420		Bullion - - - - - 3,501,410	
Deposits - - - - -		12,457,310	- - - Rest, £. 5,403,080. £. 38,879,990	
	£.	33,476,910		
31 August 1810 :			31 August 1810 :	
Circulation—			Securities — { Public - 17,198,677 } 40,973,770	
Bank Notes of £. 5 and upwards, & Post Bills	17,570,780	24,793,990	{ Private - 23,775,093 }	
Bank Notes under £. 5	7,223,210		Bullion - - - - - 3,191,850	
Deposits - - - - -		13,617,520	- - - Rest, £. 5,754,110. £. 44,165,620	
	£.	38,411,510		
28 February 1811 :			28 February 1811 :	
Circulation—			Securities — { Public - 17,201,800 } 37,122,350	
Bank Notes of £. 5 and upwards, & Post Bills	16,246,130	23,360,220	{ Private - 19,920,550 }	
Bank Notes under £. 5	7,114,090		Bullion - - - - - 3,350,940	
Deposits - - - - -		11,445,650	- - - Rest, £. 5,667,420. £. 40,473,290	
	£.	34,805,870		
31 August 1811 :			31 August 1811 :	
Circulation—			Securities — { Public - 21,884,248 } 37,083,280	
Bank Notes of £. 5 and upwards, & Post Bills	15,692,490	23,286,850	{ Private - 15,199,032 }	
Bank Notes under £. 5	7,594,360		Bullion - - - - - 3,243,300	
Deposits - - - - -		11,075,660	- - - Rest, £. 5,964,070. £. 40,326,580	
	£.	34,362,510		
29 February 1812 :			29 February 1812 :	
Circulation—			Securities — { Public - 22,127,253 } 38,026,290	
Bank Notes of £. 5 and upwards, & Post Bills	15,951,290	23,408,320	{ Private - 15,899,037 }	
Bank Notes under £. 5	7,457,030		Bullion - - - - - 2,983,190	
Deposits - - - - -		11,595,200	- - - Rest, £. 6,005,960. £. 41,009,480	
	£.	35,003,520		
31 August 1812 :			31 August 1812 :	
Circulation—			Securities — { Public - 21,165,190 } 38,176,120	
Bank Notes of £. 5 and upwards, & Post Bills	15,385,470	23,026,880	{ Private - 17,010,930 }	
Bank Notes under £. 5	7,641,410		Bullion - - - - - 3,099,270	
Deposits - - - - -		11,848,910	- - - Rest, £. 6,399,600. £. 41,275,390	
	£.	34,875,790		

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Amount of Notes in Circulation, and Deposits, and Securities held by the Bank—continued.

27 February 1813:		27 February 1813: £.	
Circulation—		Securities — { Public - 25,036,626 } 37,930,950	
Bank Notes of £. 5 and upwards, & Post Bills } 15,497,320		{ Private - 12,894,324 }	
Bank Notes under £. 5 - 7,713,610		Bullion - - - - - 2,884,500	
Deposits - - - - -		- - - Rest, £. 6,336,340. £. 40,815,450	
£. 34,479,110			
31 August 1813:		31 August 1813:	
Circulation—		Securities — { Public - 25,591,336 } 40,106,080	
Bank Notes of £. 5 and upwards, & Post Bills } 16,790,980		{ Private - 14,514,744 }	
Bank Notes under £. 5 - 8,037,140		Bullion - - - - - 2,712,270	
Deposits - - - - -		- - - Rest, £. 6,830,500. £. 42,818,350	
£. 35,987,850			
28 February 1814:		28 February 1814:	
Circulation—		Securities — { Public - 23,630,317 } 41,989,910	
Bank Notes of £. 5 and upwards, & Post Bills } 16,455,540		{ Private - 18,359,593 }	
Bank Notes under £. 5 - 8,345,540		Bullion - - - - - 2,204,430	
Deposits - - - - -		- - - Rest, £. 6,937,800. £. 44,194,340	
£. 37,256,540			
31 August 1814:		31 August 1814:	
Circulation—		Securities — { Public - 34,982,485 } 48,345,960	
Bank Notes of £. 5 and upwards, & Post Bills } 18,703,210		{ Private - 13,363,475 }	
Bank Notes under £. 5 - 9,665,080		Bullion - - - - - 2,097,680	
Deposits - - - - -		- - - Rest, £. 7,225,410. £. 50,443,640	
£. 43,218,230			
28 February 1815:		28 February 1815:	
Circulation—		Securities — { Public - 27,512,804 } 44,558,500	
Bank Notes of £. 5 and upwards, & Post Bills } 18,226,400		{ Private - 17,045,696 }	
Bank Notes under £. 5 - 9,035,250		Bullion - - - - - 2,036,910	
Deposits - - - - -		- - - Rest, £. 7,631,510. £. 46,595,410	
£. 38,963,900			
31 August 1815:		31 August 1815:	
Circulation—		Securities — { Public - 24,194,086 } 44,854,180	
Bank Notes of £. 5 and upwards, & Post Bills } 17,766,140		{ Private - 20,660,094 }	
Bank Notes under £. 5 - 9,482,530		Bullion - - - - - 3,409,040	
Deposits - - - - -		- - - Rest, £. 8,318,550. £. 48,263,220	
£. 39,944,670			
29 February 1816:		29 February 1816:	
Circulation—		Securities — { Public - 19,425,780 } 43,401,310	
Bank Notes of £. 5 and upwards, & Post Bills } 18,012,220		{ Private - 23,975,530 }	
Bank Notes under £. 5 - 9,001,400		Bullion - - - - - 4,640,880	
Deposits - - - - -		- - - Rest, £. 8,639,680. £. 48,042,190	
£. 39,402,510			
31 August 1816:		31 August 1816:	
Circulation—		Securities — { Public - 26,097,431 } 37,279,540	
Bank Notes of £. 5 and upwards, & Post Bills } 17,661,510		{ Private - 11,182,109 }	
Bank Notes under £. 5 - 9,097,210		Bullion - - - - - 7,562,780	
Deposits - - - - -		- - - Rest, £. 6,227,220. £. 44,842,320	
£. 38,615,100			
28 February 1817:		28 February 1817:	
Circulation—		Securities — { Public - 25,538,808 } 34,278,630	
Bank Notes of £. 5 and upwards, & Post Bills } 19,261,630		{ Private - 8,739,822 }	
Bank Notes under £. 5 - 8,136,270		Bullion - - - - - 9,680,970	
Deposits - - - - -		- - - Rest, £. 5,736,090. £. 43,959,600	
£. 38,223,510			

Amount of Notes in Circulation, and Deposits, and Securities held by the Bank—*continued.*

30 August 1817:				30 August 1817: £.			
Circulation—			£.	Securities		£.	
Bank Notes of £.5 and upwards, & Post Bills	21,550,630		29,543,780	{ Public - 27,098,238		32,605,630	
Bank Notes under £.5	7,993,150			{ Private - 5,507,392			
Deposits	-		9,084,590	Bullion	-	11,668,260	
		£.	38,628,370	- - - Rest, £. 5,645,320.	£.	44,273,890	
28 February 1818:				28 February 1818:			
Circulation—				Securities			
Bank Notes of £.5 and upwards, & Post Bills	20,370,290		27,770,970	{ Public - 26,913,360		30,905,330	
Bank Notes under £.5	7,400,680			{ Private - 3,991,970			
Deposits	-		7,997,550	Bullion	-	10,055,460	
		£.	35,768,520	- - - Rest, £. 5,192,270.	£.	40,960,790	
31 August 1818:				31 August 1818:			
Circulation—				Securities			
Bank Notes of £.5 and upwards, & Post Bills	18,676,220		26,202,150	{ Public - 27,257,012		32,370,760	
Bank Notes under £.5	7,525,930			{ Private - 5,113,748			
Deposits	-		7,927,730	Bullion	-	6,363,160	
		£.	34,129,880	- - - Rest, £. 4,604,040.	£.	38,733,920	
27 February 1819:				27 February 1819:			
Circulation—				Securities			
Bank Notes of £.5 and upwards, & Post Bills	17,772,470		25,126,700	{ Public - 22,355,115		31,455,000	
Bank Notes under £.5	7,354,230			{ Private - 9,099,885			
Deposits	-		6,413,370	Bullion	-	4,184,620	
		£.	31,540,070	- - - Rest, £. 4,099,550.	£.	35,639,620	
31 August 1819:				31 August 1819:			
Circulation—				Securities			
Bank Notes of £.5 and upwards, & Post Bills	18,017,450		25,252,690	{ Public - 25,419,148		31,740,550	
Bank Notes under £.5	7,235,240			{ Private - 6,321,402			
Deposits	-		6,304,160	Bullion	-	3,595,360	
		£.	31,556,850	- - - Rest, £. 3,779,060.	£.	35,335,910	
29 February 1820:				29 February 1820:			
Circulation—				Securities			
Bank Notes of £.5 and upwards, & Post Bills	16,794,980		23,484,110	{ Public - 21,715,168		26,187,490	
Bank Notes under £.5	6,689,130			{ Private - 4,472,322			
Deposits	-		4,093,550	Bullion	-	4,911,050	
		£.	27,577,660	- - - Rest, £. 3,520,880.	£.	31,098,540	
31 August 1820:				31 August 1820:			
Circulation—				Securities			
Bank Notes of £.5 and upwards, & Post Bills	17,600,730		24,299,340	{ Public - 19,173,997		23,846,120	
Bank Notes under £.5	6,698,610			{ Private - 4,672,123			
Deposits	-		4,420,910	Bullion	-	8,211,080	
		£.	28,720,250	- - - Rest, £. 3,336,950.	£.	32,057,200	
28 February 1821:				28 February 1821:			
Circulation—				Securities			
Bank Notes of £.5 and upwards, & Post Bills	17,447,360		23,884,920	{ Public - 16,010,990		20,796,270	
Bank Notes under £.5	6,437,560			{ Private - 4,785,280			
Deposits	-		5,622,890	Bullion	-	11,869,900	
		£.	29,507,810	- - - Rest, £. 3,158,360.	£.	32,666,170	
31 August 1821:				31 August 1821:			
Circulation—				Securities			
Bank Notes of £.5 and upwards, & Post Bills	17,747,070		20,295,300	{ Public - 15,752,953		18,475,540	
Bank Notes under £.5	2,548,230			{ Private - 2,722,587			
Deposits	-		5,818,450	Bullion	-	11,233,590	
		£.	26,113,750	- - - Rest, £. 3,595,380.	£.	29,709,130	

Amount of Notes in Circulation, and Deposits, and Securities held by the Bank—*continued*.

28 February 1822:			28 February 1822 :		
Circulation—		£.	Securities — { Public - 12,478,133 } Private - 3,494,947 }		£.
Bank Notes of £. 5 and upwards, & Post Bills	17,290,500 }	18,665,350			15,973,080
Bank Notes under £. 5	1,374,850 }				
Deposits	- - - -	4,689,940	Bullion	- - - -	11,057,150
	£.	23,355,290	- - - Rest, £. 3,674,940.	£.	27,030,230
31 August 1822 :			31 August 1822 :		
Circulation—			Securities — { Public - 13,668,359 } Private - 3,622,151 }		
Bank Notes of £. 5 and upwards, & Post Bills	16,609,460 }	17,464,790			17,290,510
Bank Notes under £. 5	855,330 }		Bullion	- - - -	10,097,960
Deposits	- - - -	6,399,440	- - - Rest, £. 3,524,240.	£.	27,388,470
	£.	23,864,230			
28 February 1823 :			28 February 1823 :		
Circulation—			Securities — { Public - 13,658,829 } Private - 4,660,901 }		
Bank Notes of £. 5 and upwards, & Post Bills	17,710,740 }	18,392,240			18,319,730
Bank Notes under £. 5	681,500 }		Bullion	- - - -	10,384,230
Deposits	- - - -	7,181,100	- - - Rest, £. 3,130,620.	£.	28,703,960
	£.	25,573,340			
30 August 1823 :			30 August 1823 :		
Circulation—			Securities — { Public - 11,842,677 } Private - 5,624,693 }		
Bank Notes of £. 5 and upwards, & Post Bills	18,682,760 }	19,231,240			17,467,370
Bank Notes under £. 5	548,480 }		Bullion	- - - -	12,658,240
Deposits	- - - -	7,827,350	- - - Rest, £. 3,067,020.	£.	30,125,610
	£.	27,058,590			
28 February 1824 :			28 February 1824 :		
Circulation—			Securities — { Public - 14,341,127 } Private - 4,530,873 }		
Bank Notes of £. 5 and upwards, & Post Bills	19,250,860 }	19,736,990			18,872,000
Bank Notes under £. 5	486,130 }		Bullion	- - - -	13,810,060
Deposits	- - - -	10,097,850	- - - Rest, £. 2,847,220.	£.	32,682,060
	£.	29,834,840			
31 August 1824 :			31 August 1824 :		
Circulation —			Securities — { Public - 14,649,187 } Private - 6,255,343 }		
Bank Notes of £. 5 and upwards, & Post Bills	19,688,980 }	20,132,120			20,904,530
Bank Notes under £. 5	443,140 }		Bullion	- - - -	11,787,430
Deposits	- - - -	9,679,810	- - - Rest, £. 2,880,030.	£.	32,691,960
	£.	29,811,930			
28 February 1825 :			28 February 1825 :		
Circulation —			Securities — { Public - 19,447,588 } Private - 5,503,742 }		
Bank Notes of £. 5 and upwards, & Post Bills	20,337,030 }	20,753,760			24,951,330
Bank Notes under £. 5	416,730 }		Bullion	- - - -	8,779,100
Deposits	- - - -	10,168,780	- - - Rest, £. 2,807,890.	£.	33,730,430
	£.	30,922,540			
31 August 1825 :			31 August 1825 :		
Circulation —			Securities — { Public - 17,414,566 } Private - 7,691,464 }		
Bank Notes of £. 5 and upwards, & Post Bills	19,002,500 }	19,398,840			25,106,030
Bank Notes under £. 5	396,340 }		Bullion	- - - -	3,634,320
Deposits	- - - -	6,410,560	- - - Rest, £. 2,930,950.	£.	28,740,350
	£.	25,809,400			
28 February 1826 :			28 February 1826 :		
Circulation —			Securities — { Public - 20,573,258 } Private - 12,345,322 }		
Bank Notes of £. 5 and upwards, & Post Bills	24,092,660 }	25,467,910			32,918,580
Bank Notes under £. 5	1,375,250 }		Bullion	- - - -	2,459,510
Deposits	- - - -	6,935,940	- - - Rest, £. 2,974,240.	£.	35,378,090
	£.	32,403,850			

Amount of Notes in Circulation, and Deposits, and Securities held by the Bank—continued.

31 August 1826:				31 August 1826:			
Circulation—		£.		Securities		£.	
Bank Notes of £. 5 and upwards, & Post Bills	20,402,300	21,563,560		{ Public - 17,713,881	25,083,630		
Bank Notes under £. 5 -	1,161,260			{ Private - 7,369,749			
Deposits	- - - -	7,199,860		Bullion - - - -	6,754,230		
	£.	28,763,420		- - - Rest, £. 3,074,440.	£.	31,837,860	
28 February 1827:				28 February 1827:			
Circulation—				Securities			
Bank Notes of £. 5 and upwards, & Post Bills	21,229,220	21,890,610		{ Public - 18,685,015	23,529,530		
Bank Notes under £. 5 -	661,390			{ Private - 4,844,515			
Deposits	- - - -	8,801,660		Bullion - - - -	10,159,020		
	£.	30,692,270		- - - Rest, £. 2,996,280.	£.	33,688,550	
31 August 1827:				31 August 1827:			
Circulation—				Securities			
Bank Notes of £. 5 and upwards, & Post Bills	22,267,400	22,747,600		{ Public - 19,809,595	23,199,320		
Bank Notes under £. 5 -	480,200			{ Private - 3,389,725			
Deposits	- - - -	8,052,090		Bullion - - - -	10,463,770		
	£.	30,799,690		- - - Rest, £. 2,863,400.	£.	33,663,090	
29 February 1828:				29 February 1828:			
Circulation—				Securities			
Bank Notes of £. 5 and upwards, & Post Bills	21,564,450	21,980,710		{ Public - 19,818,777	23,581,270		
Bank Notes under £. 5 -	416,260			{ Private - 3,762,493			
Deposits	- - - -	9,198,140		Bullion - - - -	10,347,290		
	£.	31,178,850		- - - Rest, £. 2,749,710.	£.	33,928,560	
30 August 1828:				30 August 1828:			
Circulation—				Securities			
Bank Notes of £. 5 and upwards, & Post Bills	20,975,170	21,357,510		{ Public - 20,682,776	23,905,530		
Bank Notes under £. 5 -	382,340			{ Private - 3,222,754			
Deposits	- - - -	10,201,280		Bullion - - - -	10,498,880		
	£.	31,558,790		- - - Rest, £. 2,845,620.	£.	34,404,410	
28 February 1829:				28 February 1829:			
Circulation—				Securities			
Bank Notes of £. 5 and upwards, & Post Bills	19,514,020	19,870,850		{ Public - 19,736,665	25,384,750		
Bank Notes under £. 5 -	356,830			{ Private - 5,648,085			
Deposits	- - - -	9,553,960		Bullion - - - -	6,835,020		
	£.	29,424,810		- - - Rest, £. 2,794,960.	£.	32,219,770	
31 August 1829:				31 August 1829:			
Circulation—				Securities			
Bank Notes of £. 5 and upwards, & Post Bills	19,213,530	19,547,380		{ Public - 20,072,440	24,661,810		
Bank Notes under £. 5 -	333,850			{ Private - 4,589,370			
Deposits	- - - -	9,035,070		Bullion - - - -	6,795,530		
	£.	28,582,450		- - - Rest, £. 2,874,890.	£.	31,457,340	
27 February 1830:				27 February 1830:			
Circulation—				Securities			
Bank Notes of £. 5 and upwards, & Post Bills	19,730,240	20,050,730		{ Public - 20,038,890	24,204,390		
Bank Notes under £. 5 -	320,490			{ Private - 4,165,500			
Deposits	- - - -	10,763,150		Bullion - - - -	9,171,000		
	£.	30,813,880		- - - Rest, £. 2,561,510.	£.	33,375,390	
30 August 1830:				30 August 1830:			
Circulation—				Securities			
Bank Notes of £. 5 and upwards, & Post Bills	21,151,390	21,464,700		{ Public - 20,911,616	24,565,690		
Bank Notes under £. 5 -	313,310			{ Private - 3,654,074			
Deposits	- - - -	11,620,840		Bullion - - - -	11,150,480		
	£.	33,085,540		- - - Rest, £. 2,630,630.	£.	35,716,170	

Amount of Notes in Circulation, and Deposits, and Securities held by the Bank—continued.

28 February 1831 :			28 February 1831 :		
Circulation—			£.		
Bank Notes of £. 5 and upwards, & Post Bills	19,293,270	} 19,600,140	£.	Securities - { Public - 19,927,572 } Private - 5,281,408	25,208,980
Bank Notes under £. 5	306,870				
Deposits	-	11,213,530	£.	Bullion - - - - -	8,217,050
		30,813,670		- - - Rest, £. 2,612,360.	£. 33,426,030
31 August 1831 :			31 August 1831 :		
Circulation—			£.		
Bank Notes of £. 5 and upwards, & Post Bills	18,236,240	} 18,538,630	£.	Securities - { Public - 18,056,552 } Private - 5,848,478	23,905,030
Bank Notes under £. 5	302,390				
Deposits	-	9,069,310	£.	Bullion - - - - -	6,439,760
		27,607,940		- - - Rest, £. 2,736,850.	£. 30,344,790
29 February 1832 :			29 February 1832 :		
Circulation—			£.		
Bank Notes of £. 5 and upwards, & Post Bills	17,752,610	} 18,051,710	£.	Securities - { Public - 18,497,448 } Private - 5,836,042	24,333,490
Bank Notes under £. 5	299,100				
Deposits	-	8,937,170	£.	Bullion - - - - -	5,293,150
		26,988,880		- - - Rest, £. 2,637,760.	£. 29,626,640
7 August 1832 :			7 August 1832 :		
Circulation—			£.		
Bank Notes of £. 5 and upwards, & Post Bills	18,523,880	} 18,819,000	£.	Securities - { Public - 20,828,000 } Private - 5,148,000	25,976,000
Bank Notes under £. 5	295,120				
Deposits	-	11,431,000	£.	Bullion - - - - -	7,154,000
		30,250,000		- - - Rest, £. 2,880,000.	£. 33,130,000

In addition to the above Rest the estimated value of the Bank Premises is £. 1,000,000.

Bank of England, }
10th Aug. 1832. }

Will^m Smeeth,
Chief Acc^t,

Appendix 6.—AN ACCOUNT of the BALANCES of the ADVANCES for the PURCHASE of the the EAST INDIA COMPANY, of ADVANCES to Government to pay off DISSENTIENTS on Conversion held by the Bank of *England*, also the RATE of EXCHANGE on *Paris* (real prices) and the PREMIUM

	Advances for Dead Weight Annuity.	Loans on Mortgage.	Loans on Stock.	Loan to the E. I. Company.	Advances to pay off Dis- sents of Navy £. 5 per Cents.
	£.	£.	£.	£.	£.
1822 : January - 26	nil.	nil.	nil.	nil.	nil.
February 23	nil.	nil.	nil.	nil.	nil.
March - 30	nil.	nil.	nil.	nil.	nil.
April - - 27	nil.	nil.	nil.	nil.	48,900
May - - 25	nil.	nil.	nil.	nil.	101,100
June - - 29	nil.	nil.	nil.	nil.	110,300
July - - 27	nil.	nil.	nil.	nil.	2,736,800
August - 31	nil.	nil.	nil.	nil.	2,736,800
September 28	nil.	nil.	nil.	nil.	2,736,800
October - 26	nil.	nil.	nil.	nil.	2,396,800
November 30	nil.	nil.	nil.	nil.	2,396,800
December 28	nil.	nil.	nil.	nil.	2,396,800
1823 : January - 25	nil.	nil.	nil.	nil.	2,056,800
February 22	nil.	nil.	nil.	nil.	2,056,800
March - 29	nil.	nil.	nil.	nil.	2,056,800
April - - 26	nil.	nil.	nil.	nil.	1,716,800
May - - 31	885,719	nil.	nil.	nil.	1,716,800
June - - 28	885,719	nil.	nil.	nil.	1,716,800
July - - 26	2,110,719	nil.	nil.	nil.	1,376,800
August - 30	2,110,719	nil.	1,000	nil.	1,376,800
September 27	2,110,719	nil.	1,000	nil.	1,376,800
October - 25	1,916,399	nil.	1,000	nil.	1,036,800
November 29	1,916,399	nil.	1,000	1,500,000	1,036,800
December 27	1,916,399	nil.	1,000	1,500,000	1,036,800
1824 : January - 31	3,091,399	nil.	1,000	1,500,000	696,800
February 28	3,091,399	nil.	3,400	1,500,000	696,800
March - 27	3,091,399	76,000	3,400	1,500,000	696,800
April - - 24	2,917,719	156,500	3,400	1,500,000	356,800
May - - 29	2,917,719	271,885	3,400	1,500,000	356,800
June - - 26	2,917,719	445,885	1,003,400	1,500,000	356,800
July - - 31	4,092,719	714,335	1,000,000	1,500,000	16,800
August - 28	4,092,719	730,335	1,001,000	1,500,000	16,800
September 25	4,092,719	770,955	1,141,000	1,500,000	16,800
October - 30	3,899,588	824,335	931,000	1,500,000	nil.
November 27	3,899,588	834,335	1,349,000	500,000	nil.
December 24	3,899,588	868,335	1,759,000	500,000	nil.
1825 : January - 29	5,034,588	1,000,335	916,000	500,000	nil.
February 26	5,034,588	1,224,235	1,084,000	500,000	nil.
March - 26	5,034,588	1,333,996	1,104,000	500,000	nil.
April - - 30	4,861,196	1,353,996	1,042,000	500,000	nil.
May - - 28	4,861,196	1,375,996	1,056,000	500,000	nil.
June - - 25	4,861,196	1,375,996	1,133,500	500,000	nil.
July - - 30	5,991,566	1,452,396	166,500	500,000	nil.
August - 27	5,991,566	1,452,396	27,500	500,000	nil.
September 24	5,991,566	1,452,396	27,500	500,000	nil.
October - 29	5,809,991	1,452,396	27,500	500,000	nil.
November 26	5,809,991	1,452,396	18,000	nil.	nil.
December 31	5,809,991	1,436,396	1,208,572	nil.	nil.

Bank of England, }
11 August 1832. }

DEAD WEIGHT ANNUITY, of the LOANS on MORTGAGE, of the LOANS on STOCK, of the LOAN to of £.5 per Cents, the Amount of NOTES in CIRCULATION, the AMOUNT of COIN and BULLION of GOLD at *Paris* at the undermentioned periods in the Years 1822, 1823, 1824 and 1825.

Circulation.	Coin and Bullion.	RATE of EXCHANGE (real prices) London on Paris, short.		PREMIUM on GOLD at Paris.	
£.	£.	f.	c.	f.	c.
19,673,540	11,088,650	1822: Jan. - 25	25 27 $\frac{1}{2}$	1822: Feb. - 1	4 - p' %
18,348,000	11,018,700	Feb. - 22	25 25	March - 2	4 - -
17,388,480	10,774,460	March - 29	25 15	April - 2	4 - -
18,105,990	10,213,540	April - 26	25 15	May - 2	3 - -
17,036,990	9,909,240	May - 24	25 25	June - 1	1 - -
17,005,520	10,255,780	June - 28	25 67 $\frac{1}{2}$	July - 2	4 50 -
19,748,390	10,088,390	July - 26	25 30	August - 3	5 50 -
17,464,790	10,088,000	Aug. - 30	25 50	Sept. - 3	4 - -
16,798,690	10,440,540	Sept. - 27	25 52 $\frac{1}{2}$	Oct. - 1	5 - -
17,991,050	9,900,340	Oct. - 25	25 45	Nov. - 2	7 50 -
17,457,240	10,216,940	Nov. - 29	25 45	Dec. - 3	5 - -
16,483,690	10,566,070	Dec. - 27	25 52 $\frac{1}{2}$	1823: Jan. - 2	3 50 -
19,879,310	10,177,260	1823: Jan. - 24	25 45	1823: Feb. - 1	4 - -
17,839,480	10,134,080	Feb. - 21	25 50	March - 1	4 75 -
17,174,940	10,851,790	March - 27	25 75	April - 1	7 - -
18,943,550	11,277,660	April - 25	25 75	May - 1	9 50 -
17,425,710	11,814,740	May - 30	25 85	June - 2	14 - -
16,835,660	12,484,320	June - 27	25 75	July - 2	11 - -
20,359,360	12,089,600	July - 25	25 72 $\frac{1}{2}$	August - 2	12 - -
19,231,240	12,648,500	Aug. - 29	25 70	Sept. - 2	10 - -
17,824,280	13,141,820	Sept. - 26	25 77 $\frac{1}{2}$	Oct. - 2	11 - -
19,386,180	13,235,930	Oct. - 24	25 70	Nov. - 4	8 - -
19,400,800	13,786,160	Nov. - 28	25 62 $\frac{1}{2}$	Dec. - 4	7 50 -
17,551,530	14,049,860	Dec. - 26	25 52 $\frac{1}{2}$	1824: Jan. - 3	6 75 -
20,280,820	13,527,850	1824: Jan. - 30	25 47 $\frac{1}{2}$	1824: Feb. - 2	5 50 -
19,736,980	13,800,390	Feb. - 27	25 47 $\frac{1}{2}$	March - 4	5 - -
19,156,930	13,871,280	March - 26	25 57 $\frac{1}{2}$	April - 2	8 - -
20,645,600	13,405,550	April - 23	25 25	May - 3	2 50 -
19,149,370	12,887,840	May - 28	25 35	June - 3	5 - -
19,158,500	12,809,140	June - 25	25 37 $\frac{1}{2}$	July - 3	5 - -
21,998,640	11,814,720	July - 30	25 10	August - 3	3 50 -
20,293,320	11,763,550	Aug. - 27	25 12 $\frac{1}{2}$	Sept. - 3	2 - -
18,715,290	11,811,500	Sept. - 24	25 20	Oct. - 2	2 - -
21,042,020	11,433,430	Oct. - 29	25 10	Nov. - 2	2 - -
20,850,260	11,323,760	Nov. - 26	25 -	Dec. - 4	1 - -
19,447,390	10,721,190	Dec. - 24	25 5	1825: Jan. - 4	1 - -
21,960,330	9,490,420	1825: Jan. - 28	25 7 $\frac{1}{2}$	1825: Feb. - 3	1 - -
21,060,140	8,857,730	Feb. - 25	25 5	March - 3	2 - -
19,611,340	8,152,340	March - 25	25 7 $\frac{1}{2}$	April - 2	2 - -
20,536,630	6,659,780	April - 29	25 5	May - 3	- $\frac{7.5}{100}$ -
19,653,010	6,131,300	May - 27	25 5	June - 4	2 - -
18,372,360	5,482,040	June - 24	25 5	July - 4	3 50 -
20,794,720	4,174,830	July - 29	25 5	August - 4	1 50 -
19,290,570	3,626,570	Aug. - 26	25 5	Sept. - 4	1 50 -
18,009,780	3,496,690	Sept. - 23	25 15	Oct. - 3	1 50 -
18,692,220	3,150,360	Oct. - 28	25 12 $\frac{1}{2}$	Nov. - 5	1 50 -
17,464,890	3,012,150	Nov. - 25	25 7 $\frac{1}{2}$	Dec. - 2	2 - -
25,709,420	1,260,890	Dec. - 30	25 20	1826: Jan. - 4	4 - -

Will^m Smee,
Chief Acc^t.

Appendix, No. 7.

AN ACCOUNT of the Number of Items received and paid on Account of the PUBLIC DRAWING ACCOUNTS kept at the Bank of *England*; also, the Number of BILLS paid as advised, and the Number of BILLS, DRAFTS and COUNTRY NOTES, presented for Payment by the BANK, in the Year 1831.

In the Year 1831:

Items received and paid, including Bills of Exchange, Exchequer Business, &c.	110,460
of which are - - - Bills, paid as advised - - - - -	10,940
and - - - - - Bills, Drafts and Country Notes, presented for payment by the Bank in different parts of London - - - }	24,420
<i>Will^m Smee, Chief Acc^t.</i>	

Appendix, No. 8.

AN ACCOUNT of the Estimated EXPENSE for MANAGING the PUBLIC ACCOUNTS at the Bank of *England*, in the Year 1831.

In the Year 1831 - - - - - £. 10,000

EXPENSES of PUBLIC DRAWING OFFICE, estimated at £. 10,000, for the Year ending February 1832.

28 Clerks and Porters - - - - -	£. 6,000
Pensions - - - - -	1,000
Rent - - - - -	2,000
Stationer, Pencutter, Printer, Coals, Candles and Sundries - - - - -	1,000
	£. 10,000
<i>Will^m Smee, Chief Acc^t.</i>	

Appendix, No. 9.

AN ACCOUNT of the EXPENSE for Conducting the BUSINESS of the FUNDED DEBT, for the Year 1831, made up as nearly as the same can be ascertained.

For the Year 1831 - - - - - £. 164,143

Number of Clerks.	The EXPENSES for MANAGEMENT of the NATIONAL DEBT, for the Year ending 29th February 1832.				£.
13	Long Annuity Office	-	-	-	3,000
29	£.3. per Cent. Reduced	-	-	-	6,685
58	Consols - - - - -	-	-	-	13,324
7	Interior - - - - -	-	-	-	2,245
7	Life Annuity Office, &c.	-	-	-	1,608
69	New £.3. 10. per Cents. &c.	-	-	-	14,542
12	Register Office	-	-	-	2,801
13	Power of Attorney	-	-	-	3,467
23	Cheque Office - - - - -	-	-	-	3,190
3	Chief Cashier's Office	-	-	-	1,040
12	Dividend Warrant Office	-	-	-	2,410
12	Dividend Pay Office	-	-	-	2,973
2	Public Drawing	-	-	-	588
1	General Cash Book	-	-	-	350
3	Exchequer Office	-	-	-	1,200
3	Chief Accountant's	-	-	-	2,373
3	Chief Cashier's	-	-	-	2,000
2	Journal - - - - -	-	-	-	489
1	Storekeeper	-	-	-	370
	3 Messengers and Doorkeepers	-	1/2 of £.460	-	£. 230
	4 Messengers	-	1/2 of 336	-	168
10	Fractional parts. 4 Ditto	-	1/2 of 344	-	172
	4 Gate Porters	-	1/2 of 432	-	216
	1 Housekeeper	-	1/2 of 92	-	46
	4 Secretaries	-	1/2 of 2,532	-	1,266
33	House Porters and Watchmen	-	-	-	2,690
65	Clerks for general Contingencies, additional Assistance at various times of the year, and to supply Absence, Sickness, &c. (the number of Clerks above specified appertaining to the several offices, being the minimum with which the business can be conducted)	-	-	-	6,918
24	Clerks, the Assistance afforded during the Shutting, &c.	-	-	-	2,554
	Signing Warrants for Dividends	-	-	-	520
405	Emoluments and Gratuities to the above Clerks	-	-	-	16,860
	Pensions of Retired Clerks from Stock Offices	-	-	-	12,557
	Dividend Warrant Paper	-	-	-	536
	Stationer	-	-	-	4,988
	Pencutter	-	-	-	305
	Printer	-	-	-	1,767
	Solicitors' Bills	-	-	-	1,000
	Coals	-	-	-	550
	Candles and Oil	-	-	-	515
	Rent	-	-	-	26,664
	Sundries; viz. Nightly Superintendents, £. 252; Refreshment for Soldiers, £. 224; Clothes for Porters, £. 327; Allowance to Directors, £. 4,000; Taxes, £. 2,614; and various Disbursements resulting from the Management of the National Debt	-	-	-	18,966
				£.	164,143

Appendix, No. 10.

AN ACCOUNT showing the NUMBER of POWERS of ATTORNEY issued from the Bank of *England*, between 19th March and 14th April 1832.

From 19th to 24th March 1832	-	-	-	-	-	519
26th to 31st	"	-	-	-	-	595
2d to 7th April	"	-	-	-	-	719
9th to 14th	"	-	-	-	-	761
						<u>2,594</u>

Willm Smee, Chief Acct.

Appendix, No. 11.

AN ACCOUNT of the EXPENSE attending the CIRCULATION of the PROMISSORY NOTES and POST BILLS of the Bank of *England*, both *London* and the Branches, for the Year 1831, exclusive of the Stamp Duty paid to Government.

In the Year 1831 - - - - - £. 106,092

NUMBER of CLERKS.	BANK NOTES, For the Year ending 29th February 1832.					
						£.
6	Storekeeper's Office for Bank Notes	-	-	-	-	1,390
6	Engraver, Mould Makers and Assistants	-	-	-	-	1,283
25	Bank Note Office for Stamping	-	-	-	-	5,575
25	Cashiers and Supernumeraries (excluding the first three)	-	-	-	-	10,950
9	Bank Note Pay Office	-	-	-	-	2,352
23	Inspectors and Investigators	-	-	-	-	5,782
7	Post Bill Office	-	-	-	-	1,430
56	Cash Book Office	-	-	-	-	4,035
74	Accountant's Office	-	-	-	-	4,500
	3 Messengers and Doorkeepers, $\frac{1}{4}$ of £.460	-	-	-	-	£.115
	4 Messengers	-	-	-	-	84
	4 Ditto	-	-	-	-	86
5	4 Gate Porters	-	-	-	-	108
	1 Housekeeper	-	-	-	-	23
	4 Secretaries	-	-	-	-	633
6	House Porters	-	-	-	-	485
	Printers' and Engravers' Wages	-	-	-	-	5,163
242	Cost of Bank Note Paper, &c.	-	-	-	-	4,866
	Pensions	-	-	-	-	10,912
	Gratuities	-	-	-	-	3,783
	Stationer	-	-	-	-	196
	Pencutter	-	-	-	-	142
	Printer	-	-	-	-	426
	Solicitors' Bills, &c.	-	-	-	-	1,246
	Coals	-	-	-	-	58
	Candles and Oil	-	-	-	-	130
	Rent	-	-	-	-	6,668
	Sundries; viz. Nightly Superintendents, £.252; Refreshment for Soldiers, £.224; Clothes for Porters, £.327; Allowance to Directors, £.2,000; Taxes, £.1,307; and various disbursements resulting from the Circulation of Bank Notes	-	-	-	-	5,163
	Expenses attending the Circulation of £. 2,500,000 of Branch Bank of England Notes at 11 Branch Banks	-	-	-	-	28,508
						<u>£ 106,092</u>

Willm Smee, Chief Acct.

Appendix, No. 12.

AN ACCOUNT of the AMOUNT PAID by the Bank of *England*, as an EXEMPTION from STAMPING BANK NOTES and BILLS, (per Act 55 Geo. III. c. 184.) for the Year ending 5th April 1832.

For the Year ending 5th April 1832, upon }
£. 20,000,000. sterling - - - } £. 70,000

Will^m Smee, Chief Acc^t.

Appendix, No. 13.

Dr

The BANK, 29 February 1832.

Cr

	£.		£.
To Bank Notes outstanding - - -	18,051,710	By Advances on Government Securities; viz	
To Public Deposits; viz.		Exchequer Bills on the growing Produce of the Consolidated Fund in the quarter ending 5 April 1832 - £. 3,428,340	4,134,940
Drawing Accounts - - £. 2,034,790		Ditto - 5 July 1832 - - 697,000	
Balance of Audit Roll - - 550,550		Exchequer Bills on Supplies } 7,600	
Life Annuities unpaid - - 85,030	3,198,730	1825 - - - - - } 2,000	
Annuities for Terms of Years } 38,360		Ditto - for £. 10,500,000 } 2,000	
unpaid - - - - - }		for 1825 - - - - - }	
Exchequer Bills deposited - 490,000			
To Private Deposits; viz.		By the Advances to the Trustees appointed by the Act 3 Geo. IV. c. 51, towards the purchase of an Annuity of £. 585,740. for 44 years from 5 April 1823 - - -	10,897,880
Drawing Accounts - - - - 5,683,870	5,738,430		
Various other Debts - - - 54,560		By other Credits; viz.	
To the Bank of England for the Capital -	14,553,000	Exchequer Bills purchased £. 2,700,000	
To Balance of Surplus in favour of the Bank } 2,637,760		Stock purchased - - - - 764,600	
of England - - - - - }		City Bonds - - - - - 500,000	
		Bills and Notes discounted - 2,951,970	9,166,860
		Loans on Mortgages - - - 1,452,100	
		London Dock Company - - 227,500	
		Advances on Security and } 570,690	
		various articles - - - }	
		By Cash and Bullion - - - - -	5,293,150
		By the permanent Debt due from Government	14,686,800
			£. 44,179,630
	£. 44,179,630		
		Rest or Surplus brought down - - -	2,637,760
		Bank Capital due to Proprietors - - -	14,553,000
			£. 17,190,760

Will^m Smee, Chief Acc^t.

Appendix, No. 14.

BANK OF ENGLAND, 28th February 1829.

Dr		Cr	
To Annual Expenses, Forgeries, Losses and Sundry Items	£. 349,745	Profit and Loss Rest	£. 2,749,718
Stamp Duty on Circulation	72,625	By Interest on Loans and Commercial Bills	132,962
Divided to Proprietors	1,164,234	Government Securities held by the Bank	710,582
	1,586,604	Interest on Capital received from Government	446,502
Rest	2,794,966	Allowance received for the Management of the Public Debt	254,370
	£. 4,381,570	Profit on Bullion, Rent and Sundry Items	87,436
			£. 4,381,570
Rest 28th February 1829	£. 2,794,966	Rest 28th February 1829	£. 2,794,966
Rest 28th February 1828	2,749,718	Capital with Government £. 14,686,800	
Increase	45,248	Less so much included in the Rest	133,800
			£. 17,347,966

BANK OF ENGLAND, 27th February 1830.

Dr		Cr	
To Annual Expenses, Forgeries, Losses and Sundry Items	£. 614,879	Profit and Loss Rest	£. 2,794,966
Stamp Duty on Circulation	73,500	By Interest on Loans and Commercial Bills	131,062
Divided to Proprietors	1,164,234	Government Securities held by the Bank	730,825
	1,852,613	Interest on Capital received from Government	446,502
Rest	2,579,377	Allowance received for the Management of the Public Debt	252,619
	£. 4,431,990	Profit on Bullion, Rent and Sundry Items	76,016
			£. 4,431,990
Rest 28th February 1829	£. 2,794,966	Rest 27th February 1830	£. 2,561,518
Rest 27th February 1830	£. 2,579,377	Capital with Government £. 14,686,800	
Branch Banks Deficit	17,859	Less so much included in the Rest	133,800
Decrease	233,448		£. 17,114,518

BANK OF ENGLAND, 28th February 1831.

Dr		Cr	
To Annual Expenses, Forgeries, Losses and Sundry Items	£. 371,366	Profit and Loss Rest	£. 2,561,518
Stamp Duty on Circulation	72,625	By Interest on Loans and Commercial Bills	145,996
Divided to Proprietors	1,164,235	Government Securities held by the Bank	714,442
	1,608,226	Interest on Capital received from Government	446,502
Rest	2,612,368	Allowance received for the Management of the Public Debt	251,340
	£. 4,220,594	Profit on Bullion, Rent and Sundry Items	100,796
			£. 4,220,594
Rest 28th February 1831	£. 2,612,368	Rest 28th February 1831	£. 2,612,368
Rest 27th February 1830	2,561,518	Capital with Government £. 14,686,800	
Increase	50,850	Less so much included in the Rest	133,800
			£. 17,165,368

BANK OF ENGLAND, 29th February 1832.

Dr		Cr	
To Annual Expenses, Forgeries, Losses and Sundry Items	£. 428,674	Profit and Loss Rest	£. 2,612,368
Stamp Duty on Circulation	70,875	By Interest on Loans and Commercial Bills	248,321
Divided to Proprietors	1,164,235	Government Securities held by the Bank	670,598
	1,663,784	Interest on Capital received from Government	446,502
Rest	2,637,760	Allowance received for the Management of the Public Debt	251,896
	£. 4,301,544	Profit on Bullion, Rent and Sundry Items	71,859
			£. 4,301,544
Rest 29th February 1832	£. 2,637,760	Rest 29th February 1832	£. 2,637,760
Rest 28th February 1831	2,612,368	Capital with Government £. 14,686,800	
Increase	25,392	Less so much included in the Rest	133,800
			£. 17,190,760

Appendix, No. 15.

AN ACCOUNT of the PROFITS of the Bank of *England*, in the Year ending 29th February 1832, stating the Description of the Securities held by the Bank, and the Sources from which the said Profits have accrued.

	£.
Interest on Commercial Bills - - - - -	130,695
Interest on Exchequer Bills - - - - -	204,109
Annuity for forty-five years (the Dead-weight Account) - - - - -	451,415
Interest on Capital received from Government - - - - -	446,502
Allowance received for Management of the Public Debt - - - - -	251,896
Interest on Loans on Mortgages - - - - -	60,684
Interest on Stock in the Public Funds - - - - -	15,075
Interest on Private Loans - - - - -	56,941
Profit on Bullion, Commission, Rent, Receipts on Discounted Bills unpaid, Management of the Business of the Banks of Ireland, of Scotland, and Royal Bank of Scotland, and sundry Items - - - - -	71,859
	<u>£. 1,689,176</u>

Willm Smee, Chief Acct.

Appendix, No. 16.

AN ACCOUNT of the AVERAGE YEARLY AMOUNTS of the Bank of *England* NOTES in CIRCULATION; of the DEPOSITS, Public and Private, held by the Bank; of the INVESTMENTS in Securities, and of the BULLION held by the Bank, in the Years ending 28th February 1829, 1830, 1831 and 1832.

	£.		£.
Bank Notes in Circulation - - - - -	20,953,000	Investments in Securities - - - - -	23,834,000
Deposits, Public and Private - - - - -	10,104,000	Gold and Silver Bullion - - - - -	9,640,000
In the Year ending 28 Feb. 1829 - - - - -	<u>£. 31,057,000</u>		<u>£. 33,474,000</u>
Bank Notes in Circulation - - - - -	19,631,000	Investments in Securities - - - - -	24,424,000
Deposits, Public and Private - - - - -	9,711,000	Gold and Silver Bullion - - - - -	7,285,000
In the Year ending 28 Feb. 1830 - - - - -	<u>£. 29,342,000</u>		<u>£. 31,709,000</u>
Bank Notes in Circulation - - - - -	20,575,000	Investments in Securities - - - - -	24,343,000
Deposits, Public and Private - - - - -	11,735,000	Gold and Silver Bullion - - - - -	10,322,000
In the Year ending 28 Feb. 1831 - - - - -	<u>£. 32,310,000</u>		<u>£. 34,665,000</u>
Bank Notes in Circulation - - - - -	18,542,000	Investments in Securities - - - - -	24,004,000
Deposits, Public and Private - - - - -	9,489,000	Gold and Silver Bullion - - - - -	6,389,000
In the Year ending 29 Feb. 1832 - - - - -	<u>£. 28,031,000</u>		<u>£. 30,393,000</u>

Willm Smee, Chief Acct.

Appendix, No. 17.

EXPENSES of the Bank of *England*, for the Year ending 29th February 1832.

Dr	£.		Cr
National Debt Department - - - - -	164,143	Salaries and Pensions - - - - -	218,003
Bank Notes - - - - -	106,092	House Expenses - - - - -	39,187
Banking Department - - - - -	69,165	Directors' Allowance - - - - -	8,000
		Rent - - - - -	40,000
		Expenses at Eleven Branches, arising from the Banking Department - - - - -	5,702
		Expenses attending the circulation of £. 2,500,000. of Branch Bank of England Notes, at Eleven Branches - - - - -	28,508
	<u>£. 339,400</u>		<u>£. 339,400</u>

Willm Smee, Chief Acct.

Appendix, No. 18.

AN ACCOUNT of the TOTAL AMOUNT of SALARIES, MORNING MONEY, GRATUITIES, &c. paid to the SERVANTS of the BANK in *London*, and at the BANK of *England* BRANCHES, and of the Number of Persons to whom the said Amount was paid, for the Year ending 29th February 1832.

For the Year ending 29th February 1832 :					£.	s.	d.
820 Clerks and Porters	-	-	-	-	211,903	10	10
38 Printers and Engravers	-	-	-	-			
82 Clerks and Porters at the Branches	-	-	-	-			
940 - - Average	£. 225 each.						
Amount of Pensions paid in the same period :							
193 Pensioners, average	£. 161 each				-	-	-
					31,243	18	11
Will ^m Smee, Chief Acc ^t .							

Will^m Smee, Chief Acc^t.

Appendix, No. 19.

NUMBER of CLERKS.	THE BANKING DEPARTMENT, For the Year ending 29th February 1832.						£.
2	Accountant's Branch Bank	-	-	-	-	-	346
26	Accountant's Drawing Office	-	-	-	-	-	5,392
5	Ditto - Discount	-	-	-	-	-	1,640
3	Discount Cheque	-	-	-	-	-	890
5	Chancery and Exchequer	-	-	-	-	-	1,147
1	Storekeeper	-	-	-	-	-	340
4	Chief Cashier's Office	-	-	-	-	-	1,241
3	Bullion Office	-	-	-	-	-	1,060
3	In-Tellers	-	-	-	-	-	502
18	Private Drawing Office	-	-	-	-	-	2,653
6	Public - - ditto	-	-	-	-	-	604
11	Discount Office, and ditto for Discounted Bills unpaid	-	-	-	-	-	3,260
19	Bill Office	-	-	-	-	-	3,265
10	Out-Tellers	-	-	-	-	-	2,338
5	Clearers	-	-	-	-	-	928
15	Cash Book Office	-	-	-	-	-	2,700
4	General Cash Book Office	-	-	-	-	-	1,008
8	Branch Banks' Office	-	-	-	-	-	1,596
9	Bullion Porters	-	-	-	-	-	586
5	Fractional parts.	3 Messengers and Doorkeepers, $\frac{1}{4}$ of £. 460 - £. 115					
		4 ditto - - - - $\frac{1}{4}$ of 336 - - 84					
		4 ditto - - - - $\frac{1}{4}$ of 344 - - 86					
		4 Gate Porters - - - - $\frac{1}{4}$ of 432 - - 108					
		1 Housekeeper - - - - $\frac{1}{4}$ of 92 - - 23					
		4 Secretaries - - - - $\frac{1}{4}$ of 2,532 - - 633					
10	House Porters	-	-	-	-	-	815
1	Watchman and Lamplighter	-	-	-	-	-	100
173	Emoluments and Gratuities of the above	-	-	-	-	-	9,227
	Pensions	-	-	-	-	-	7,775
	Stationer	-	-	-	-	-	288
	Pen-cutter	-	-	-	-	-	104
	Printer	-	-	-	-	-	342
	Solicitors' Bills, &c.	-	-	-	-	-	315
	Coals	-	-	-	-	-	134
	Candles and Oil	-	-	-	-	-	133
	Rent	-	-	-	-	-	6,668
	Sundries; viz. Nightly Superintendents, £. 252; Refreshment for Soldiers, £. 224; Clothes for Porters, £. 327; Allowance to Directors, £. 2,000; Taxes, £. 1,307; and various Disbursements resulting from the above offices - - - -						
	Expenses at 11 Branch Banks, arising from the Banking Department - - - -						
£. 69,165							

THE proportionate Expense of the Public Accounts may be fairly estimated at £. 10,000, with reference to the number of Hands employed, and Business performed.

Will^m Smee, Chief Acc^t.

Appendix, No. 20.

AN ACCOUNT of the TOTAL EXPENSES of the BANK of *England*, in the Years ending the 28th February 1829, 1830, 1831 and 1832; exclusive of the Amounts paid for Stamp Duty, and Losses sustained by the Bank from Forgeries upon Stock, Transfers and Dividends.

In the Year ending 28 February 1829	-	-	-	-	-	£. 331,700
—	-	-	-	-	-	337,300
—	-	-	-	-	-	336,300
—	29	-	-	-	-	339,400

Will^m Smee, Chief Acct.

Appendix, No. 21.

AN ACCOUNT of the AMOUNTS of the NET ANNUAL PROFIT of the BANK of *England*, in the Years ending the 28th February 1829, 1830, 1831 and 1832, out of which Interest is to be paid on the Capital Stock.

In the Year ending 28 February 1829	-	-	£. 1,209,482
—	-	-	930,786
—	-	-	1,215,085
—	29	-	1,189,627

Will^m Smee, Chief Acct.

Appendix, No. 22.

AN ACCOUNT of the AMOUNTS of the DIVIDENDS paid to the PROPRIETORS of BANK STOCK, in the Years ending 28 February 1829, 1830, 1831 and 1832.

In the Year ending 28 February 1829	-	-	£. 1,164,234
—	-	-	1,164,234
—	-	-	1,164,235
—	-	-	1,164,235

Will^m Smee, Chief Acct.

Appendix, No. 23.

AN ESTIMATED ACCOUNT of PROFIT derived by the BANK from CIRCULATION of PROMISSORY NOTES and from GOVERNMENT BUSINESS.

Circulation	-	-	£. 20,000,000
Government Deposits	-	-	4,000,000
	-	-	£. 24,000,000

of which 2-3ds are estimated to be invested in Securities, and 1-3d in Bullion.

Securities, £. 16,000,000; viz.

9,000,000 Exchequer Bills	-	at 2½ per cent.	£. 202,500	£.	£.
800,000 Stock	-	3	—	24,000	
1,000,000 Advances for Circulation	-	3	—	30,000	
on Discount	-	-	-	-	
500,000 Country Discount	-	3½	—	17,500	
4,700,000	-	4⅛	—	193,875	
	-	-	-	467,875	

16,000,000

Deduct,

Expense of Circulation	-	-	-	-	£. 106,000
Expense of Government Deposits	-	-	-	-	10,000
Stamp Duty on Circulation	-	-	-	-	70,000
1 per cent. on Capital (held by Government at 3 per cent.)	-	-	-	-	147,000

333,000

THE PUBLIC DEBT.

134,875

Amount received from Government for Management of the Public Debt, for the Year ending 5 April 1832, including Life Annuities	-	-	-	£. 251,000
Management of Life Annuities, proposed to be transferred	-	-	-	3,000

248,000

Deduct,

Expenses for Management of the National Debt	-	-	-	£. 164,000
Average of Forgeries per annum, during the last Ten Years	-	-	-	40,000

204,000

44,000

ESTIMATED PROFIT - - - £. 178,875

Will^m Smee, Chief Acct.

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Appendix, No. 24.

AN ACCOUNT of the AVERAGE AGGREGATE AMOUNTS of PUBLIC DEPOSITS in the hands of the BANK, from the Year 1800 ; distinguishing each Year.

Year.	£.	Year.	£.
1807 - - -	12,647,551	1819 - - -	4,538,373
1808 * - - -	11,761,448	1820 - - -	3,713,442
1809 - - -	11,093,648	1821 - - -	3,920,157
1810 - - -	11,950,047	1822 - - -	4,107,853
1811 - - -	10,191,854	1823 - - -	5,526,635
1812 - - -	10,390,130	1824 - - -	7,222,187
1813 - - -	10,393,404	1825 - - -	5,347,314
1814 - - -	12,158,227	1826 - - -	4,214,271
1815 - - -	11,737,436	1827 - - -	4,223,867
1816 - - -	10,807,660	1828 - - -	3,821,697
1817 - - -	8,699,133	1829 - - -	3,862,656
1818 - - -	7,066,887	1830 - - -	4,761,952
		1831 - - -	3,948,102

* The Bank advanced, in March 1808, £.3,000,000, without Interest, for the Public Service, which so continued till April 1818, on account of Public Balances.

N.B. The Bank is unable to furnish correctly the Aggregate Amounts of Public Deposits previous to the year 1807; the Public Accounts prior to that period not being required generally to be kept at the Bank, and many of the Public Accounts at that time were in the Names of Individuals, without reference to that part of the Public Service to which the Accounts applied.

Will^m Smee, Chief Acc^t.

Appendix, No. 25.

AN ACCOUNT of the AMOUNT received by the Bank of *England* for the MANAGEMENT of the PUBLIC DEBT, for the Year ending 5th April 1832, excluding the Life Annuities and Annuities for Terms of Years.

For the Year ending 5th April 1832 - - - - -	£.
Deduct the Management of Life Annuities - - - £.2,988	251,461
Ditto Annuities for Terms of Years - - - 5,700	8,688
	£. 242,773

Bank of England, }
29th May 1832. }

Will^m Smee,
Chief Acc^t.

Appendix, Nos. 26 & 27.

THE AMOUNT advanced for TEMPORARY LOANS upon INDIA BONDS, EXCHEQUER BILLS, and BILLS OF EXCHANGE, in each Quarter, and the Rate of Interest paid thereon, commencing in June 1829.

DATE.	ADVANCES.	RATE OF INTEREST.
1829: From 11 June to 15 July	£. 217,000 - - -	£. 3. per Cent.
- - - 3 Dec. - 15 Jan.	1,020,900 { Of this £.3,000 } was on Bullion	- - - ditto.
1830: - - - 4 Mar. - 15 April	8,200 - - -	- - - ditto.
- - - 3 June - 15 July	1,232,500 { Of this £.379,000 } was on Stock	- - - ditto.
- - - 2 Sept - 15 Oct.	671,000 { Of this £.382,000 } was on Stock	- - - ditto.
- - - 2 Dec. - 15 Jan.	167,000 - - -	£. 4. per Cent.
1831: - - - 3 Mar. - 15 April	883,600 - - -	- - - ditto.
- - - 9 June - 15 July	623,000 - - -	- - - ditto.
- - - 7 Sept. - 15 Oct.	999,000 - - -	- - - ditto.
- - - 8 Dec. - 14 Jan.	1,154,100 { Of this £.20,000 } was on Bullion	- - - ditto.
1832: - - - 8 Mar. - 16 April	387,400 - - -	- - - ditto.

Bank of England, }
31st May 1832. }

T. Rippon,
Chief Cashier.

Appendix, No. 28.

AN ACCOUNT of the AMOUNT of COIN and BULLION, distinguishing Coin from Bullion, in the
in each Year, with the Date of each ; together with the Amount of the SECURITIES

In the Year ending	COIN.	BULLION.	Highest and Lowest Amount of Coin and Bullion in each Year, ending February.		SECURITIES.	LIABILITIES.
			HIGHEST.	LOWEST.		
	£.	£.	£.	£.	£.	£.
28 Feb. 1815	1,726,000	310,000	Coin - - 1,733,000 Bullion - 428,000 5 Nov. 1814 - 2,161,000	Coin - - 1,719,000 Bullion - 290,000 25 Feb. 1815 - 2,009,000	46,595,000	38,963,000
29 Feb. 1816	1,565,000	3,075,000	Coin - - 1,548,000 Bullion - 3,018,000 17 Feb. 1816 - 4,566,000	Coin - - 1,749,000 Bullion - 285,000 4 Mar. 1815 - 2,034,000	48,042,000	39,402,000
28 Feb. 1817	1,939,000	7,742,000	Coin - - 2,027,000 Bullion - 7,963,000 1 Feb. 1817 - 9,990,000	Coin - - 1,557,000 Bullion - 3,121,000 2 Mar. 1816 - 4,678,000	43,959,000	38,223,000
28 Feb. 1818	7,111,000	2,944,000	Coin - - 5,437,000 Bullion - 6,477,000 11 Oct. 1817 - 11,914,000	Coin - - 1,932,000 Bullion - 7,742,000 1 Mar. 1817 - 9,674,000	40,960,000	35,768,000
27 Feb. 1819	3,326,000	859,000	Coin - - 7,155,000 Bullion - 2,923,000 7 Mar. 1818 - 10,078,000	Coin - - 3,316,000 Bullion - 1,038,000 27 Feb. 1819 - 4,354,000	35,639,000	31,540,000
29 Feb. 1820	3,165,000	1,746,000	Coin - - 3,152,000 Bullion - 1,755,000 26 Feb. 1820 - 4,907,000	Coin - 3,072,000 Bullion - 498,000 4 Sept. 1819 - 3,570,000	31,098,000	27,577,000
28 Feb. 1821	4,189,000	7,680,000	Coin - - 3,847,000 Bullion - 7,792,000 24 Feb. 1821 - 11,639,000	Coin - - 3,164,000 Bullion - 1,800,000 1 Mar. 1820 - 4,964,000	32,666,000	29,507,000
28 Feb. 1822	7,259,000	3,797,000	Coin - - 5,695,000 Bullion - 7,634,000 5 May 1821 - 13,329,000	Coin - - 6,631,000 Bullion - 4,327,000 2 Feb. 1822 - 10,958,000	27,030,000	23,355,000
28 Feb. 1823	8,670,000	1,713,000	Coin - - 7,705,000 Bullion - 3,381,000 16 Mar. 1822 - 11,086,000	Coin - - 7,994,000 Bullion - 1,861,000 2 Nov. 1822 - 9,855,000	28,703,000	25,573,000

Bank of England, }
21 June 1832. }

Appendix, No. 28.

possession of the BANK, from 28 February 1815 to the present time, stating the Highest and Lowest Amount held by the Bank, and its LIABILITIES, at each of the same Periods.

In the Year ending	COIN. £.	BULLION. £.	Highest and Lowest Amount of Coin and Bullion in each Year, ending February.		SECURITIES. £.	LIABILITIES. £.
			HIGHEST.	LOWEST.		
			£. Coin - - 8,206,000 Bullion - 5,936,000	£. Coin - - 8,657,000 Bullion - 1,715,000		
28 Feb. 1824	7,717,000	6,092,000	20 Dec. 1823 14,142,000	1 Mar. 1823 - 10,372,000	32,682,000	29,834,000
28 Feb. 1825	7,190,000	1,588,000	20 Mar. 1824 - 13,945,000	26 Feb. 1825 - 8,857,000	33,730,000	30,922,000
28 Feb. 1826	1,043,000	1,415,000	5 Mar. 1825 - 8,613,000	24 Dec. 1825 - 1,027,000	35,378,000	32,403,000
28 Feb. 1827	7,626,000	2,532,000	24 Feb. 1827 - 10,007,000	4 Mar. 1826 - 3,348,000	33,688,000	30,692,000
29 Feb. 1828	8,943,000	1,404,000	16 June 1827 - 10,677,000	26 Jan. 1828 - 10,196,000	33,928,000	31,178,000
28 Feb. 1829	6,109,000	725,000	23 Aug. 1828 - 10,480,000	21 Feb. 1829 - 6,827,000	32,219,000	29,424,000
27 Feb. 1830	7,095,000	2,075,000	27 Feb. 1830 - 9,161,000	18 April 1829 - 6,104,000	33,375,000	30,814,000
28 Feb. 1831	6,151,000	2,065,000	26 June 1830 - 11,795,000	19 Feb. 1831 - 8,211,000	33,426,000	30,813,000
29 Feb. 1832	4,535,000	757,000	5 Mar. 1831 - 8,210,000	4 Feb. 1832 - 5,088,000	29,626,000	26,989,000

Will^m Smee, Chief Acc^t.

Appendix, No. 29.

AN ACCOUNT of all DISTRIBUTIONS made by the BANK of ENGLAND amongst the PROPRIETORS of BANK STOCK, whether by Money Payments, Transfer of £.5 per Cent. Annuities, or otherwise, under the heads of BONUS, INCREASE of DIVIDEND, and INCREASE of CAPITAL, betwixt the 25th February 1797 and 31st March 1832, in addition to the Ordinary Dividend of £.7 per Cent. on the Capital Stock of that Corporation, existing in 1797, including therein the whole Dividend paid since June 1816, on their increased Capital; stating the Period when such Distributions were made, and the Aggregate Amount of the whole.

	£.
In June 1799 - £.10 p'cent. Bonus in 5 p'cents 1797, on £.11,642,400, is	1,164,240
- May 1801 - £.5. - ditto - Navy 5 p'cents - ditto -	582,120
- Nov. 1802 - £.2½. - ditto - - ditto - - ditto -	291,060
- Oct. 1804 - £.5. - ditto - - Cash - - ditto -	582,120
- Oct. 1805 - £.5. - ditto - - ditto - - ditto -	582,120
- Oct. 1806 - £.5. - ditto - - ditto - - ditto -	582,120
From April 1807 to Oct. 1822, { Increase of Dividend, at the rate of £.3 } both inclusive - - - { per cent. per Annum on £.11,642,400, } is 16 years - - - - - }	5,588,352
From April 1823 to Oct. 1831, { Increase of Dividend, at the rate of £.1 } both inclusive - - - { per cent. per Annum, on £.11,642,400, } is, 9 years - - - - - }	1,047,816
In June 1816 - - - - Increase of Capital, at £.25 per cent. is -	2,910,600
From Oct. 1816 to Oct. 1822, { Dividend at the rate of £.10 per cent. } both inclusive - - - { per Annum, on £.2,910,600 increased } Capital, is 6½ years - - - }	1,891,890
From April 1823 to Oct. 1831, { Dividend at the rate of £.8 per cent. per } both inclusive - - - { Annum, on £.2,910,600 increased } Capital, is 9 years - - - }	2,095,632
Aggregate AMOUNT of the whole - - - - £.	17,318,070
Annual Dividend payable on Bank Stock in 1797, on a Capital of } £.11,642,400, at the rate of £.7 per cent. per Annum - - - }	814,968
Annual Dividend payable since June 1816, on a Capital of £.14,553,000, } to October 1822, inclusive, at the rate of £.10 per cent. per Annum - }	1,455,300
Annual Dividend payable from April 1823 to 31st March 1832, both in- } clusive, on a Capital of £.14,553,000, at the rate of £.8 per cent. per } Annum - - - - - }	1,164,240

Bank of England, }
27 June 1832. }

Will^m Smee,
Chief Acc^t

Appendix, No. 30.

A RETURN of the PRESENT VALUE of an ANNUITY of £.585,740 for Forty-four Years from 5th April 1823, according to the latest Market Price of the Long Annuities.

THE present Value of an Annuity of £.585,740, for Forty-four Years, from the 5th April 1823, according to the latest Market Price of the Long Annuities, is Ten Million Nine Hundred and Thirty-five Thousand Two Hundred and Twenty-seven Pounds:—which present Value has been calculated by *John Finlaison*, Esq. Actuary of the National Debt.

Bank of England, }
12 June 1832. }

T. Rippon,
Chief Cashier.

Appendix, No. 31.

AN ACCOUNT of the AMOUNT of DEPOSITS held by the BANK on 26th February, 26th May, 26th August, and 26th November, in each Year, from 1814 to the present time, distinguishing public from private Deposits.

		26 February.	26 May.	26 August.	26 November.
		£.	£.	£.	£.
1815:					
Public Deposits	- - -	10,543,600	11,558,700	11,779,100	10,972,400
Private ditto	- - -	1,626,100	1,805,700	1,091,600	1,569,000
	£.	12,169,700	13,364,400	12,870,700	12,541,400
1816:					
Public Deposits	- - -	11,064,800	10,205,700	9,898,800	9,001,500
Private ditto	- - -	986,400	1,197,100	1,215,100	1,833,000
	£	12,051,200	11,402,800	11,113,900	10,834,500
1817:					
Public Deposits	- - -	8,739,700	9,493,900	7,046,600	6,000,600
Private ditto	- - -	1,781,200	1,832,300	1,906,600	1,568,600
	£.	10,520,900	11,326,200	8,953,200	7,569,200
1818:					
Public Deposits	- - -	5,755,300	6,578,600	5,188,600	5,914,600
Private ditto	- - -	1,642,900	2,038,900	1,653,100	2,283,300
	£.	7,398,200	8,617,500	6,841,700	8,197,900
1819:					
Public Deposits	- - -	4,592,300	3,731,700	3,953,000	2,819,600
Private ditto	- - -	1,523,500	1,997,300	1,879,200	1,632,500
	£.	6,115,800	5,729,000	5,832,200	4,452,100
1820:					
Public Deposits	- - -	3,014,900	2,984,300	3,456,600	3,070,300
Private ditto	- - -	1,156,500	1,361,100	1,438,100	1,722,000
	£.	4,171,400	4,345,400	4,894,700	4,792,300
1821:					
Public Deposits	- - -	3,553,400	3,094,300	4,417,300	3,464,900
Private ditto	- - -	1,642,800	1,962,500	1,909,300	2,248,500
	£.	5,196,200	5,056,800	6,326,600	5,713,400

Appendix No. 31.—ACCOUNT of the Amount of Deposits—*continued*.

	26 February.	26 May.	26 August.	26 November.
1822 :	£.	£.	£.	£.
Public Deposits - - -	3,075,000	2,978,900	4,258,200	3,271,000
Private ditto - - -	1,735,200	1,987,400	2,715,500	2,736,100
£.	4,810,200	4,966,300	6,973,700	6,007,100
1823 :				
Public Deposits - - -	5,171,900	4,432,200	4,086,300	5,434,500
Private ditto - - -	2,509,600	3,657,500	3,091,000	3,937,100
£.	7,681,500	8,089,700	7,177,300	9,371,600
1824 :				
Public Deposits - - -	7,330,100	7,508,900	6,246,200	7,181,300
Private ditto - - -	2,323,100	2,485,800	2,760,600	3,581,300
£.	9,653,200	9,994,700	9,006,800	10,762,600
1825 :				
Public Deposits - - -	5,797,900	5,670,400	3,757,900	3,415,700
Private ditto - - -	3,346,400	2,785,700	2,853,000	2,798,100
£.	9,144,300	8,456,100	6,610,900	6,213,800
1826 :				
Public Deposits - - -	3,489,900	3,643,900	3,738,100	3,437,200
Private ditto - - -	3,614,700	3,621,700	4,008,400	3,999,400
£.	7,104,600	7,265,600	7,746,500	7,436,600
1827 :				
Public Deposits - - -	3,459,800	3,322,800	4,821,700	3,488,900
Private ditto - - -	5,588,700	5,528,000	4,887,000	4,829,400
£.	9,048,500	8,850,800	9,708,700	8,318,300
1828 :				
Public Deposits - - -	3,278,000	3,617,300	3,117,500	3,104,900
Private ditto - - -	5,684,200	6,705,400	6,903,700	5,863,400
£.	8,962,200	10,322,700	10,021,200	8,968,300
1829 :				
Public Deposits - - -	3,433,600	3,110,200	3,832,600	3,147,500
Private ditto - - -	5,726,300	5,775,600	5,855,900	6,152,000
£.	9,159,900	8,885,800	9,688,500	9,299,500
1830 :				
Public Deposits - - -	3,592,700	4,456,000	4,238,400	3,431,900
Private ditto - - -	6,647,400	7,408,500	7,233,800	7,803,600
£.	10,240,100	11,864,500	11,472,200	11,235,500
1831 :				
Public Deposits - - -	4,195,800	3,089,900	3,278,300	3,002,800
Private ditto - - -	6,847,800	6,591,200	5,737,600	5,568,400
£.	11,043,600	9,681,100	9,015,900	8,571,200
1832 :				
Public Deposits - - -	3,137,900	3,198,800		
Private ditto - - -	5,422,600	5,764,900		
£.	8,560,500	8,963,700		

Bank of England, }
3 July 1832. }

Will^m Smee,
Chief Acc^t.

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Appendix, No. 32.

AN ACCOUNT of the AVERAGE AGGREGATE AMOUNTS of PRIVATE DEPOSITS in the hands of the BANK, from the Year 1800, distinguishing each Year.

Year.	£.		Year.	£.
1807	- - 1,582,720		1820	- - 1,325,060
1808	- - 1,940,630		1821	- - 1,326,020
1809	- - 1,492,190		1822	- - 1,373,370
1810	- - 1,428,720		1823	- - 2,321,920
1811	- - 1,567,920		1824	- - 2,369,910
1812	- - 1,573,950		1825	- - 2,607,900
1813	- - 1,771,310		1826	- - 3,322,070
1814	- - 2,374,910		1827	- - 3,931,370
1815	- - 1,690,490		1828	- - 5,701,280
1816	- - 1,333,120		1829	- - 5,217,210
1817	- - 1,672,800		1830	- - 5,562,250
1818	- - 1,640,210		1831	- - 5,201,370
1819	- - 1,790,860			

The increased Amount
of Deposits arose
from the increase of
Accounts.

N. B.—The Bank is unable to return the Average Aggregate Amounts of Private Deposits for the Years prior to 1807, as the Public and Private Drawing Accounts were not kept separately till that period, when distinct Offices were established.

Bank of England, }
13 June 1832. }

Will^m Smee,
Chief Acc^t.

Appendix, No. 33.

AN ACCOUNT of the VARIATIONS which have taken place in the AMOUNT of the CAPITAL of the BANK, at different periods, from the date of the first Charter to the present time.

	£.	s.	d.
1694 - - Original Subscription	1,200,000	-	-
1697 - - New Subscription	1,001,171	10	-
	2,201,171	10	-
1707 - - Subscription returned	1,001,171	10	-
	1,200,000	-	-
1709 - - New Subscription	1,001,171	10	-
	2,201,171	10	-
1709 - - New Subscription	2,201,171	10	-
	4,402,343	-	-
1709 - - A Call of - - - - -	656,204	1	9
	5,058,547	1	9
1710 - - A Call of - - - - -	501,448	12	11
	5,559,995	14	8
1722 - - New Subscription	3,400,000	-	-
	8,959,995	14	8
1742 - - A Call of - - - - -	840,004	5	4
	9,800,000	-	-
1746 - - A Call of - - - - -	980,000	-	-
	10,780,000	-	-
1782 - - A Call of - - - - -	862,400	-	-
	11,642,400	-	-
1816 - - Addition to the Stock of the several Proprie- tors of 25 per cent.	2,910,600	-	-
	£. 14,553,000	-	-

Bank of England, }
13 June, 1832. }

Will^m Smee,
Chief Acc^t

Appendix, No. 34.

A STATEMENT of the ANNUAL DISTRIBUTIONS to the PROPRIETORS of BANK STOCK, in the shape of DIVIDEND or otherwise, and the Amount per Cent. of such Distributions upon the Capital of the Bank, at the time they were made, in each Year from 1790.

YEAR.	CAPITAL.	ANNUAL AMOUNT of DIVIDEND.	Rate per Cent per Annum.	BONUSES.	RATE PER CENT.
	£.	£.		£.	
1790	11,642,400	814,968	7		
1791	11,642,400	814,968	ditto		
1792	11,642,400	814,968	ditto		
1793	11,642,400	814,968	ditto		
1794	11,642,400	814,968	ditto		
1795	11,642,400	814,968	ditto		
1796	11,642,400	814,968	ditto		
1797	11,642,400	814,968	ditto		
1798	11,642,400	814,968	ditto		
1799	11,642,400	814,968	ditto	1,164,240	{ In 5 p' Cents 1797, being 10 l. p' cent on Capital of Bank Stock.
1800	11,642,400	814,968	ditto		
1801	11,642,400	814,968	ditto	582,120	{ In 5 p' Cents Navy, being 5 l. p' cent on Capital of Bank Stock.
1802	11,642,400	814,968	ditto	291,060	
1803	11,642,400	814,968	ditto		{ In 5 per Cents Navy, being 2 l. 10 s. per cent on Capital of Bank Stock.
1804	11,642,400	814,968	ditto	582,120	
1805	11,642,400	1,397,088	{ 5 April, £. 3. $\frac{1}{2}$ } 12 10 Oct. £. 8. $\frac{1}{2}$		{ £. 5. per cent in Money.
1806	11,642,400	1,397,088	{ 5 April, £. 3. $\frac{1}{2}$ } 12 10 Oct. £. 8. $\frac{1}{2}$		
1807	11,642,400	1,164,240	10		
1808	11,642,400	1,164,240	ditto		
1809	11,642,400	1,164,240	ditto		
1810	11,642,400	1,164,240	ditto		
1811	11,642,400	1,164,240	ditto		
1812	11,642,400	1,164,240	ditto		
1813	11,642,400	1,164,240	ditto		
1814	11,642,400	1,164,240	ditto		
1815	11,642,400	1,164,240	ditto		
1816	11,642,400 { 5 April	582,120 $\frac{1}{2}$ Year.	ditto		{ £. 25. per cent increase of Capital.
	14,553,000 { 10 Oct.	727,650 $\frac{1}{2}$ Year.	ditto	2,910,600	
1817	14,553,000	1,455,300	ditto		
1818	14,553,000	1,455,300	ditto		
1819	14,553,000	1,455,300	ditto		
1820	14,553,000	1,455,300	ditto		
1821	14,553,000	1,455,300	ditto		
1822	14,553,000	1,455,300	ditto		
1823	14,553,000	1,164,240	8		
1824	14,553,000	1,164,240	ditto		
1825	14,553,000	1,164,240	ditto		
1826	14,553,000	1,164,240	ditto		
1827	14,553,000	1,164,240	ditto		
1828	14,553,000	1,164,240	ditto		
1829	14,553,000	1,164,240	ditto		
1830	14,553,000	1,164,240	ditto		
1831	14,553,000	1,164,240	ditto		

Bank of England, 13 June 1832.

Willm Smee, Chief Acct.

Appendix, No. 35.

AN ACCOUNT of the PLACES at which Boards were established for ADVANCES ON GOODS by the Bank of *England*, and the Amounts of such Advances in the Year 1826.

	£.
Manchester - - - - -	115,490
Glasgow - - - - -	81,700
Sheffield - - - - -	59,500
Liverpool - - - - -	41,450
Huddersfield - - - - -	30,300
Birmingham - - - - -	19,600
Dundee - - - - -	16,500
Norwich - - - - -	2,400

Bank of England, 9 June 1832. *Will^m Smee*, Chief Acct.

Appendix, No. 36.

AN ACCOUNT of the AVERAGE DEPOSITS held by the BANK, for each Quarter in the Years from 1814 to the present time, distinguishing Public from Private Deposits.

	Quarter ending March.	Quarter ending June.	Quarter ending September.	Quarter ending December.
	£.	£.	£.	£.
1815:				
Average Public Deposits -	10,853,100	11,109,600	11,906,400	12,623,500
„ Private „ -	1,657,000	2,052,000	1,676,000	1,041,700
£.	12,510,100	13,161,600	13,582,400	13,665,200
1816:				
Average Public Deposits -	11,738,500	10,743,800	10,735,100	10,451,200
„ Private „ -	1,328,700	1,427,300	1,424,700	1,729,500
£.	13,067,200	12,171,100	12,159,800	12,180,700
1817:				
Average Public Deposits -	9,502,000	9,879,300	8,589,200	6,943,400
„ Private „ -	2,163,300	1,861,800	2,224,800	1,884,400
£.	11,665,300	11,741,100	10,814,000	8,827,800
1818:				
Average Public Deposits -	6,746,500	6,990,700	6,798,400	7,022,800
„ Private „ -	1,929,900	1,969,000	2,150,700	2,026,200
£.	8,676,400	8,959,700	8,949,100	9,049,000
1819:				
Average Public Deposits -	5,817,900	4,646,700	4,120,000	3,753,200
„ Private „ -	1,889,800	2,183,900	1,808,100	1,728,600
£.	7,707,700	6,830,600	5,928,100	5,481,800
1820:				
Average Public Deposits -	3,584,200	3,748,000	3,843,100	3,631,600
„ Private „ -	1,385,900	1,462,400	1,466,100	1,719,900
£.	4,970,100	5,210,400	5,309,200	5,351,500
1821:				
Average Public Deposits -	4,181,300	3,213,000	4,353,000	4,334,700
„ Private „ -	1,658,800	2,190,900	2,111,600	1,982,700
£.	5,840,100	5,313,900	6,464,600	6,317,400
1822:				
Average Public Deposits -	3,877,100	3,680,000	4,891,000	4,689,300
„ Private „ -	1,997,800	1,809,200	2,532,300	2,471,100
£.	5,874,900	5,489,200	7,423,300	7,160,400

Appendix, No. 36. -Account of the Average Deposits held by the Bank—*continued.*

		Quarter ending March.	Quarter ending June.	Quarter ending September.	Quarter ending December.
		£.	£.	£.	£.
1823 :					
Average Public Deposits	-	5,665,800	5,676,700	5,249,800	6,044,900
„ Private „	-	2,674,900	3,083,800	3,043,200	3,166,800
	£.	8,340,700	8,760,500	8,293,000	9,211,700
1824 :					
Average Public Deposits	-	7,546,200	7,572,400	6,945,300	7,110,300
„ Private „	-	2,769,900	2,400,300	2,938,300	3,510,800
	£.	10,316,100	9,972,700	9,883,600	10,621,100
1825 :					
Average Public Deposits	-	6,404,300	5,844,700	5,148,300	4,273,100
„ Private „	-	3,252,900	3,000,800	2,846,000	3,260,600
	£.	9,657,200	8,845,500	7,994,300	7,533,700
1826 :					
Average Public Deposits	-	4,297,700	3,947,100	4,448,800	4,448,100
„ Private „	-	3,196,900	3,370,500	3,964,200	3,794,400
	£.	7,494,600	7,317,600	8,413,000	8,242,500
1827 :					
Average Public Deposits	-	4,323,300	3,669,200	4,727,100	4,573,000
„ Private „	-	4,888,100	5,240,400	4,930,400	4,626,700
	£.	9,211,400	8,909,600	9,657,500	9,199,700
1828 :					
Average Public Deposits	-	4,114,100	3,737,300	3,904,100	3,738,400
„ Private „	-	5,472,300	6,334,200	6,485,000	5,753,200
	£.	9,586,400	10,071,500	10,389,100	9,491,600
1829 :					
Average Public Deposits	-	4,420,900	3,665,000	3,782,600	3,929,700
„ Private „	-	5,840,000	5,481,400	5,802,800	5,633,400
	£.	10,260,900	9,146,400	9,585,400	9,563,100
1830 :					
Average Public Deposits	-	4,812,600	4,410,300	5,458,100	4,331,100
„ Private „	-	6,227,700	6,882,000	7,331,400	7,366,200
	£.	11,040,300	11,292,300	12,789,500	11,697,300
1831 :					
Average Public Deposits	-	4,720,900	3,564,900	4,312,500	3,193,800
„ Private „	-	7,058,300	6,724,800	5,905,700	5,417,500
	£.	11,779,200	10,289,700	10,218,200	8,611,300
1832 :					
Average Public Deposits	-	3,723,500	3,386,400		
„ Private „	-	5,595,000	5,714,800		
	£.	9,318,500	9,101,200		

Bank of England, }
6th July 1832. }

Will^m Smee,
Chief Acc^t.

Appendix, No. 37.

No. 3.—BRANCH BANKS.

AN ACCOUNT of the NUMBER of COUNTRY BANKERS who have been supplied with, or are now receiving, BANK NOTES and COIN, and who act only with Bank of *England* Paper, but who do not take fixed Amounts for Circulation.

—13 Country Bankers.—

Will^m Smee, Chief Acc^t.

Appendix, No. 38.

No. 4.—BRANCH BANKS.

AN ACCOUNT of the NUMBER of COUNTRY BANKERS who issue their own NOTES, and who have been supplied with, or are now receiving, COIN as occasion may require.

—126 Country Bankers.—

Will^m Smee, Chief Acc^t.

Appendix, No. 39.

No. 5.—BRANCH BANKS.

AN ACCOUNT of the AMOUNT of NOTES which have been PAID INTO THE BANK, in *London*, during the Years 1828, 1829, 1830, and 1831, and which were issued at the Branch Banks.

In 1828	-	-	-	-	-	-	-	-	£. 1,667,000
1829	-	-	-	-	-	-	-	-	4,041,000
1830	-	-	-	-	-	-	-	-	7,785,000
1831	-	-	-	-	-	-	-	-	9,054,000

Note.—The Country Bankers, who have Accounts at the Branch Banks, receive, free of all charge except Postage, the Amounts paid in for the credit of their Accounts by their *London* or Country Correspondents; and a large part of the above Sums were received and paid for Bankers' Accounts.

Will^m Smee, Chief Acc^t.

Appendix, No. 40.

No. 6.—BRANCH BANKS.

AN ACCOUNT of the AMOUNT of BANK NOTES PAID IN at the BRANCH BANKS, chiefly by Country Bankers, for the Credit of the *London* Bankers, and issued to them in *London*.

In 1828	-	-	-	-	-	-	-	-	£. 1,250,000
1829	-	-	-	-	-	-	-	-	3,430,000
1830	-	-	-	-	-	-	-	-	4,447,000
1831	-	-	-	-	-	-	-	-	6,142,000

Note.—The *London* Bankers receive, free of all charge, except Postage, the Amounts paid in for their Credit by their Country Correspondents.

Will^m Smee, Chief Acc^t.

Appendix, No. 41.

No. 7.—BRANCH BANKS.

AN ACCOUNT of the AVERAGE AMOUNT of BILLS UNDER DISCOUNT at the BRANCH BANKS, during the Years 1828, 1829, 1830, and 1831.

In 1828	-	-	-	-	-	-	-	-	£. 281,000
1829	-	-	-	-	-	-	-	-	750,000
1830	-	-	-	-	-	-	-	-	700,000
1831	-	-	-	-	-	-	-	-	1,718,000

Will^m Smee, Chief Acc^t.

Appendix, No. 42.

No. 8.—BRANCH BANKS.

AN ACCOUNT of the AVERAGE AMOUNT of BILLS UNDER DISCOUNT for BANKERS during the Year 1831.

In 1831 - - - - - £.844,077.

N.B.—No separate Account of Discount for Bankers was kept prior to 1831.

Will^m Smee, Chief Acc^t.

Appendix, No. 43.

No. 9.—BRANCH BANKS.

AN ACCOUNT of the AVERAGE PROPORTION of COIN to the LIABILITIES retained at the BRANCH BANKS, during the Years 1828, 1829, 1830 and 1831.

In 1828	-	-	-	Nearly one-half.
1829	-	-	-	Ditto ditto.
1830	-	-	-	Above one-third.
1831	-	-	-	One-third.

Will^m Smee, Chief Acc^t.

Appendix, No. 44.

No. 10.—BRANCH BANKS.

AN ACCOUNT of the AMOUNT of COIN which has been TRANSMITTED to the BRANCH BANKS, during the Years 1828, 1829, 1830 and 1831.

	Gold Coin.	Silver Coin.
In 1828 - - -	£.1,194,000	- - - £.21,000
1829 - - -	1,593,000	- - - 53,000
1830 - - -	1,218,000	- - - 83,000
1831 - - -	1,039,200	- - - 157,000

Will^m Smee, Chief Acc^t.

Appendix, No. 45

No. 11.—BRANCH BANKS.

AN ACCOUNT of the TOTAL EXPENSES of the BRANCH BANKS during the Years 1828, 1829, 1830, 1831 and 1832.

	£.	s.	d.
In 1828 - - - - -	27,082	5	5
1829 - - - - -	32,639	17	5
1830 - - - - -	36,421	11	9
1831 - - - - -	37,725	17	8
1832 - - - - -	34,210	-	-

Will^m Smee, Chief Acc^t.

Appendix, No. 46.

No. 15.—BRANCH BANKS.

AN ACCOUNT of the AMOUNT RECEIVED at each of the BRANCH BANKS, for INTEREST on BILLS DISCOUNTED during the Years 1828, 1829, 1830 and 1831.

	1828.			1829.			1830.			1831.		
	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.
Gloucester - -	844	14	3	2,462	6	5	2,408	1	10	2,989	19	4
Manchester - -	3,968	2	11	5,154	3	6	2,730	12	7	7,127	17	11
Swansea - - -	1,351	8	6	2,041	10	1	2,224	3	10	3,034	2	10
Birmingham - -	4,343	17	5	11,688	12	2	10,811	18	-	21,387	3	8
Liverpool - - -	351	19	6	1,758	13	-	2,880	2	9	11,702	1	4
Bristol - - - -	488	4	4	1,779	11	8	1,888	-	9	3,759	17	9
Leeds - - - - -	541	9	3	1,941	16	4	1,845	3	6	5,114	15	5
Exeter - - - - -	-	-	-	194	5	3	85	1	-	653	11	-
Newcastle - - -	-	-	-	726	5	5	710	7	11	1,766	10	9
Hull - - - - -	-	-	-	1,252	18	-	1,006	4	11	2,382	-	4
Norwich - - - -	-	-	-	8	4	9	1,528	1	2	3,211	5	2

Will^m Smee, Chief Acct.

Appendix, No. 47.

No. 14.—BRANCH BANKS.

AN ACCOUNT of COMMISSION RECEIVED at each of the BRANCH BANKS, during the Years 1828, 1829, 1830 and 1831.

	1828.			1829.			1830.			1831.		
	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.
Gloucester - - -	183	2	6	215	2	1	230	9	7	306	5	1
Manchester - - -	110	7	6	181	10	8	248	5	9	464	13	7
Swansea - - - -	158	12	7	175	14	-	148	14	8	271	3	10
Birmingham - -	492	8	3	972	18	8	911	6	2	871	15	5
Liverpool - - -	165	15	1	298	15	5	324	12	10	1,510	13	2
Bristol - - - - -	227	19	7	240	18	-	357	9	5	801	19	1
Leeds - - - - -	22	4	10	138	4	11	135	19	-	235	4	10
Exeter - - - - -	85	7	8	119	16	6	140	7	8	179	-	-
Newcastle - - -	23	16	11	109	9	6	167	1	3	126	15	9
Hull - - - - -	-	-	-	102	2	8	101	3	2	152	2	4
Norwich - - - -	-	-	-	-	-	-	96	-	10	161	5	5

Will^m Smee, Chief Acct.

Appendix, No. 48.

Supplement to No. 3.—BRANCH BANKS.

THE NUMBER of COUNTRY BANKERS who act with BANK of England NOTES exclusively, having fixed Amounts assigned; the TOTAL AMOUNT of the CREDIT; and the RATE at which they discount.

					£.
Gloucester - -	*One	-	-	-	30,000
Birmingham - -	*Seven	-	-	-	426,000
Liverpool - - -	Two	-	-	-	300,000
Hull - - - - -	One	-	-	-	30,000
	Eleven	-	-	£.	786,000

* N. B.—With two of these Parties the Limit is not yet actually fixed.

Rate of Discount charged to }
the Country Bankers - } - - £. 3. per Cent. per Annum.

Will^m Smee, Chief Acct.

Appendix, No. 49.

No. 5.—BRANCH BANKS.

AN ACCOUNT of COUNTRY BANKERS who issue their own NOTES, and who have been supplied with, or are now receiving, COIN from the BRANCH BANKS, as occasion may require.

Gloucester	-	-	-	-	-	10
Manchester	-	-	-	-	-	8
Swansea	-	-	-	-	-	7
Birmingham	-	-	-	-	-	43
Liverpool	-	-	-	-	-	1
Bristol	-	-	-	-	-	12
Leeds	-	-	-	-	-	20
Exeter	-	-	-	-	-	14
Newcastle	-	-	-	-	-	8
Hull	-	-	-	-	-	7
Norwich	-	-	-	-	-	4
TOTAL						134

Will^m Smee, Chief Acct.

Appendix, No. 50.

No. 13.—BRANCH BANKS.

AN ACCOUNT of the AMOUNT of COIN TRANSMITTED from the BRANCH BANKS to London, during the Years 1828, 1829, 1830 and 1831.

			GUINEAS.	HALF SOVEREIGNS.
In 1828	-	-	£. 38,717	—
1829	-	-	61,561	—
1830	-	-	64,473	£. 126,500
1831	-	-	46,966	66,500

Will^m Smee, Chief Acct.

Appendix, No. 51.

No. 1.—BRANCH BANKS.

AN ACCOUNT of the AVERAGE CIRCULATION of BRANCH BANK NOTES and TWENTY-ONE DAY BILLS, during the Years 1828, 1829, 1830 and 1831; distinguishing the AMOUNT from each BRANCH BANK.

		1828.	1829.	1830.	1831.
Gloucester	-	£. 41,000	£. 48,000	£. 49,000	£. 49,000
Manchester	-	258,000	411,000	904,000	1,197,000
Swansea	-	60,000	50,000	47,000	40,000
Birmingham	-	133,000	178,000	268,000	357,000
Liverpool	-	64,000	109,000	212,000	305,000
Bristol	-	24,000	59,000	85,000	110,000
Leeds	-	16,000	54,000	106,000	157,000
Exeter	-	10,000	18,000	23,000	27,000
Newcastle	-	8,000	23,000	35,000	37,000
Hull	-	-	29,000	64,000	53,000
Norwich	-	-	-	25,000	40,000

Will^m Smee, Chief Acct.

Appendix, No. 52.

AN ACCOUNT of the Loss sustained on DISCOUNTED BILLS UNPAID at each of the
BRANCH BANKS, during the Years 1828, 1829, 1830 and 1831.

BIRMINGHAM:										£.	s.	d.
1828—	Carried to account	-	-	-	-	-	-	-	-	596	10	6
	Received thereon	-	-	-	-	-	-	-	-	165	11	9
										230	18	9
	Likely to be received thereon	-	-	-	-	-	-	-	-	70	-	-
									£.	160	18	9
1829—	Carried to account	-	-	-	-	-	-	-	-	1,235	4	6
	Received thereon	-	-	-	-	-	-	-	-	598	1	4
	Not any more expected.								£.	637	3	2
1830—	Carried to account	-	-	-	-	-	-	-	-	654	-	-
	Likely to be received	-	-	-	-	-	-	-	-	130	-	-
									£.	524	-	-
1831—	Carried to account	-	-	-	-	-	-	-	-	7,730	-	7
	Received thereon	-	-	-	-	-	-	-	-	991	-	-
										6,739	-	7
	Likely to be received	-	-	-	-	-	-	-	-	1,400	-	-
									£.	5,339	-	7
HULL:										Nil.		
1828—		-	-	-	-	-	-	-	-	481	14	-
1829—	Carried to account	-	-	-	-	-	-	-	-	278	19	2
	Received thereon	-	-	-	-	-	-	-	-	202	14	10
										50	-	-
	Likely to be received	-	-	-	-	-	-	-	-	152	14	10
									£.	Nil.		
1830—		-	-	-	-	-	-	-	-	98	10	-
1831—	To account	-	-	-	-	-	-	-	-			
BRISTOL:										Nil.		
1828—		-	-	-	-	-	-	-	-	10,082	7	5
1829—	To account	-	-	-	-	-	-	-	-	3,267	7	10
	Received thereon	-	-	-	-	-	-	-	-	6,814	19	7
										800	-	-
	Likely to be received	-	-	-	-	-	-	-	-	6,014	19	7
									£.	Nil.		
1830—		-	-	-	-	-	-	-	-	8,623	4	8
1831—	To account	-	-	-	-	-	-	-	-	2,692	4	10
	Received thereon	-	-	-	-	-	-	-	-	5,930	19	10
										2,150	-	-
	Likely to be received	-	-	-	-	-	-	-	-	3,780	19	10
									£.	Nil.		
LEEDS:										Nil.		
1828—		-	-	-	-	-	-	-	-	490	-	-
1829—	To account	-	-	-	-	-	-	-	-	25	2	3
	Received thereon	-	-	-	-	-	-	-	-	464	17	9
	Not any more expected.								£.			
1830—		-	-	-	-	-	-	-	-	Nil.		
1831—		-	-	-	-	-	-	-	-	Nil.		
SWANSEA:										Nil.		
1828—		-	-	-	-	-	-	-	-	8,376	6	10
1829—	To account	-	-	-	-	-	-	-	-	5,889	11	7
	Received thereon	-	-	-	-	-	-	-	-	2,486	15	3
										2,486	15	3
	Likely to be received	-	-	-	-	-	-	-	-			
1830—		-	-	-	-	-	-	-	-	Nil.		
1831—		-	-	-	-	-	-	-	-	Nil.		

Appendix, No. 52.—ACCOUNT of Loss sustained on Discounted Bills—*continued.*

										£.	s.	d.
NEWCASTLE :												
1828	-	-	-	-	-	-	-	-	-	Nil.		
1829	-	-	-	-	-	-	-	-	-	Nil.		
1830—To account	-	-	-	-	-	-	-	-	-	3,849	18	11
Received thereon	-	-	-	-	-	-	-	-	-	3,500	9	9
										349	9	2
Likely to be received										349	9	2
1831	-	-	-	-	-	-	-	-	-	Nil.		
LIVERPOOL :												
1828	-	-	-	-	-	-	-	-	-	Nil.		
1829	-	-	-	-	-	-	-	-	-	Nil.		
1830—To account	-	-	-	-	-	-	-	-	-	160	-	-
Received thereon	-	-	-	-	-	-	-	-	-	-	17	10
Not any more expected.										159	2	2
1831	-	-	-	-	-	-	-	-	-	Nil.		
MANCHESTER :												
1828	-	-	-	-	-	-	-	-	-	Nil.		
1829	-	-	-	-	-	-	-	-	-	Nil.		
1830	-	-	-	-	-	-	-	-	-	Nil.		
1831—To account	-	-	-	-	-	-	-	-	-	500	-	-
Received thereon	-	-	-	-	-	-	-	-	-	5	8	6
										494	11	6
Likely to be received										150	-	-
										£.	344	11 6
GLOUCESTER :—										Nil.		
NORWICH :												
1828	-	-	-	-	-	-	-	-	-	Nil.		
1829	-	-	-	-	-	-	-	-	-	Nil.		
1830	-	-	-	-	-	-	-	-	-	Nil.		
1831—To account	-	-	-	-	-	-	-	-	-	39,015	14	7
Received thereon	-	-	-	-	-	-	-	-	-	3,959	19	1
										35,055	15	6
Likely to be received										3,000	-	-
										£.	32,055	15 6
EXETER :—										Nil.		

RECAPITULATION:

BALANCES Outstanding at the BRANCH BANKS:										£.	s.	d.
at Birmingham on the year 1828												
Ditto	-	-	ditto	-	1829	-	637	3	2			
Ditto	-	-	ditto	-	1830	-	524	-	-			
Ditto	-	-	ditto	-	1831	-	6,739	-	7			
										8,131	2	6
at Hull												
Ditto	-	-	ditto	-	1829	-	202	14	10			
Ditto	-	-	ditto	-	1831	-	98	10	-			
										301	4	10
at Bristol												
Ditto	-	-	ditto	-	1829	-	6,814	19	7			
Ditto	-	-	ditto	-	1831	-	5,930	19	10			
										12,745	19	5
at Leeds												
Ditto	-	-	ditto	-	1829	-	-	-	-	464	17	9
at Swansea												
Ditto	-	-	ditto	-	1829	-	-	-	-	2,486	15	3
at Newcastle												
Ditto	-	-	ditto	-	1830	-	-	-	-	349	9	2
at Liverpool												
Ditto	-	-	ditto	-	1830	-	-	-	-	159	2	2
at Manchester												
Ditto	-	-	ditto	-	1831	-	-	-	-	494	11	6
at Norwich												
Ditto	-	-	ditto	-	1831	-	-	-	-	35,055	15	6
										60,188	18	1
On which it is supposed there will be received										10,586	4	5
										£.	49,602	13 8

Bank of England, }
1 June 1832. }

Will^m Smee,
Chief Acc^t.

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Appendix, No. 53.

No. 16.—BRANCH BANKS.

AN ACCOUNT of the AVERAGE AMOUNT of BILLS under Discount at each of the Branch Banks, during the Years 1828, 1829, 1830, and 1831.

	1828.	1829.	1830.	1831.
	£.	£.	£.	£.
Gloucester - -	18,000	58,000	66,000	79,000
Manchester - -	105,000	144,000	75,000	194,000
Swansea - -	33,000	55,000	55,000	84,000
Birmingham - -	98,000	295,000	277,000	590,000
Liverpool - -	9,000	46,000	63,000	336,000
Bristol - -	8,000	47,000	41,000	102,000
Leeds - -	10,000	53,000	48,000	128,000
Exeter - -	- - -	6,000	2,000	18,000
Newcastle - -	- - -	19,000	19,000	38,000
Hull - -	- - -	30,000	24,000	62,000
Norwich - -	- - -	1,000	32,000	87,000

Bank of England, }
2d June 1832. }

Will^m Smee,
Chief Acc^t.

Appendix, No. 54.

BRANCH BANKS.

AN ACCOUNT of the Amount of BANK NOTES which have been paid into the BANK in London, during the Years 1828, 1829, 1830, and 1831, and the Amounts issued at the BRANCH BANKS.

	1828.	1829.	1830.	1831.
	£.	£.	£.	£.
Gloucester - -	107,000	163,000	232,000	206,000
Manchester - -	771,000	2,113,000	4,383,000	5,380,000
Swansea - -	152,000	187,000	150,000	137,000
Birmingham - -	401,000	628,000	747,000	798,000
Liverpool - -	46,000	120,000	697,000	837,000
Bristol - -	90,000	198,000	360,000	408,000
Leeds - -	38,000	163,000	214,000	338,000
Exeter - -	40,000	107,000	137,000	116,000
Newcastle - -	22,000	281,000	492,000	416,000
Hull - -	- - -	80,000	95,000	52,000
Norwich - -	- - -	1,000	278,000	366,000

June 4th, }
1832. }

Thomas Rippon,
Chief Cashier.

Note.—THE Country Bankers, who have Accounts at the Branch Banks, receive, free of all charge except postage, the Amounts paid in for the credit of their accounts by their London or country correspondents.

Appendix, No. 56.

AN ACCOUNT of the AVERAGE AMOUNTS of BILLS and NOTES under Discount, in each of the Quarters of the Years 1815, 1816, 1817, 1818, 1819, 1820, 1821, 1822, 1823, 1824, 1825, 1826, 1827, 1828, 1829, 1830, and 1831.

YEARS	1st Quarter, ending 31 March.	2d Quarter, ending 30 June.	3rd Quarter, ending 30 September.	4th Quarter, ending 31 December.
	£.	£.	£.	£.
1815 - - -	13,611,500	13,846,500	16,613,200	15,717,300
1816 - - -	14,315,900	13,380,400	10,569,400	7,399,800
1817 - - -	5,823,500	4,148,300	3,329,300	2,541,200
1818 - - -	2,976,900	2,847,800	4,610,400	6,865,700
1819 - - -	8,363,700	6,632,300	6,021,600	5,042,200
1820 - - -	4,810,700	3,605,500	3,987,600	3,130,700
1821 - - -	3,238,300	2,715,100	2,294,100	2,459,300
1822 - - -	3,137,000	3,216,500	3,388,700	3,724,600
1823 - - -	4,107,200	3,252,200	2,801,400	2,334,200
1824 - - -	2,226,800	2,553,500	2,449,800	2,248,900
1825 - - -	2,466,800	3,973,700	5,486,000	7,839,500
1826 - - -	9,586,700	5,037,400	2,950,500	2,164,800
1827 - - -	2,198,600	1,226,400	1,107,500	1,239,800
1828 - - -	1,298,400	1,165,600	1,170,800	2,157,200
1829 - - -	3,952,900	3,283,700	2,611,800	2,152,700
1830 - - -	1,860,500	1,414,600	1,275,000	1,930,700
1831 - - -	2,549,200	3,240,200	3,422,500	3,771,500

Will^m Smee, Chief Acct.

Appendix, No. 57.

AN ACCOUNT of the Amount of DISCOUNTED BILLS UNPAID.

From 1st December 1825 to 30th April 1826	-	-	-	£.	298,487
Amount received thereon	-	-	-	-	239,947
BALANCE unpaid	-	-	-	£.	58,540

16s. 0½d. in the Pound already received.

Appendix, No. 58.

AN ACCOUNT of the AVERAGE AMOUNT of BILLS and NOTES under Discount in each Quarter of the Years from 1797 to 1815.

YEARS	1st Quarter, ending 31st March.	2d Quarter, ending 30th June.	3d Quarter, ending 30th Sept.	4th Quarter, ending 31st Dec.
1797 - - -	4,072,400	5,627,300	5,550,200	6,150,200
1798 - - -	5,077,000	4,099,100	4,337,500	4,448,700
1799 - - -	4,618,700	4,162,600	5,775,500	7,059,000
1800 - - -	6,982,100	6,033,200	6,317,300	6,304,800
1801 - - -	7,846,300	8,683,900	7,734,800	7,355,200
1802 - - -	7,048,300	7,762,100	7,616,000	7,666,700
1803 - - -	10,088,100	10,875,400	10,943,800	11,083,200
1804 - - -	11,556,000	9,901,300	9,197,400	9,275,000
1805 - - -	10,667,000	11,099,600	11,857,600	11,841,700
1806 - - -	12,399,400	12,423,400	12,297,400	12,400,100
1807 - - -	13,406,200	13,572,600	13,967,800	12,991,700
1808 - - -	13,009,400	12,369,900	13,182,600	13,238,500
1809 - - -	14,963,800	14,677,900	15,836,600	16,424,700
1810 - - -	19,788,100	20,179,700	21,482,400	18,832,200
1811 - - -	16,912,700	14,546,600	12,974,600	12,987,600
1812 - - -	14,163,500	13,580,100	15,543,600	13,879,000
1813 - - -	12,332,600	11,214,100	12,555,200	13,218,900
1814 - - -	14,243,900	13,891,100	11,999,700	13,008,300

Will^m Smee, Chief Acct.

Appendix, No. 59.

AN ACCOUNT of the ANNUAL AVERAGE AMOUNT of COMMERCIAL PAPER under Discount at the BANK, in London, in each Year, from the Year 1795.

Year 1795 - - £.2,946,500	Year 1808 - - £.12,950,100	Year 1821 - - £.2,676,700
1796 - - 3,505,000	1809 - - 15,475,700	1822 - - 3,366,700
1797 - - 5,350,000	1810 - - 20,070,600	1823 - - 3,123,800
1798 - - 4,490,600	1811 - - 14,355,400	1824 - - 2,369,800
1799 - - 5,403,900	1812 - - 14,291,600	1825 - - 4,941,500
1800 - - 6,401,900	1813 - - 12,330,200	1826 - - 4,908,300
1801 - - 7,905,100	1814 - - 13,285,800	1827 - - 1,240,400
1802 - - 7,523,300	1815 - - 14,947,100	1828 - - 1,167,400
1803 - - 10,747,600	1816 - - 11,416,400	1829 - - 2,250,700
1804 - - 9,982,400	1817 - - 3,960,600	1830 - - 919,900
1805 - - 11,366,500	1818 - - 4,325,200	1831 - - 1,533,600
1806 - - 12,380,100	1819 - - 6,515,000	
1807 - - 13,484,600	1820 - - 3,883,600	

Bank of England, 13 June 1832.

Will^m Smee, Chief Acct.

Appendix, No. 60.

AN ACCOUNT of the ANNUAL AVERAGE of LOSS by BAD DEBTS on the DISCOUNTS of the BANK in LONDON, from the Year 1795 to 1831, both inclusive.

£. 31,696.

Bank of England, }
13 June 1832. }

Will^m Smee,
Chief Acct.

Appendix, No. 61.

AN ACCOUNT of the AVERAGE AMOUNT of Loss to the Bank of England from FORGERIES in the PUBLIC FUNDS, during the last Ten Years.

The Average Amount in each Year is - - - £. 40,204

Will^m Smee, Chief Acct.

Appendix, No. 62.

No. 10.—AN ACCOUNT of FORGERIES of BANK NOTES discovered to be forged, by Presentation for Payment or otherwise.

YEARS.	£. 1.	£. 2.	£. 5.	£. 10.	£. 20.	£. 25.	Total Number of Notes.	TOTAL Nominal Value.
1828 - - -	725	34	358	66	4	-	1,187	£. 3,343
1829 - - -	613	30	432	40	3	-	1,118	3,293
1830 - - -	273	23	281	37	-	1	615	2,119
1831 - - -	193	28	134	12	2	-	369	1,079

Appendix, No. 63.

AN ACCOUNT of the AVERAGE LOSS per Annum incurred by the BANK from FORGERIES in the PUBLIC FUNDS, in the last Ten Years, and the actual Loss in each Year.

In the Year	-	-	-	-	-	1822	£. 12,676	
Ditto	-	-	-	-	-	1823	Nil.	
Ditto	-	-	-	-	-	1824	360,214	
Ditto	-	-	-	-	-	1825	972	
Ditto	-	-	-	-	-	1826	10,996	
Ditto	-	-	-	-	-	1827	1,612	
Ditto	-	-	-	-	-	1828	1,110	
Ditto	-	-	-	-	-	1829	700	
Ditto	-	-	-	-	-	1830	11,869	
Ditto	-	-	-	-	-	1831	1,891	
						10)	402,040	
							£. 40,204	Average Loss p' Ann.
								Will ^m Smee, Chief Acct.

Appendix, No. 64.

AN ACCOUNT of the AVERAGE AMOUNT of EXCHEQUER BILLS, including DEFICIENCY BILLS, held by the BANK of England, in the Years 1828, 1829, 1830 and 1831.

In the Year 1828	-	-	-	-	-	-	-	£. 9,367,630
— 1829	-	-	-	-	-	-	-	8,664,020
— 1830	-	-	-	-	-	-	-	8,783,730
— 1831	-	-	-	-	-	-	-	6,733,260

Will^m Smee, Chief Acct.

Appendix, No. 65.

A STATEMENT of EXCHEQUER BILLS PURCHASED or SOLD by the BANK, in the Quarters of each Year from 1821; distinguishing the Average Premium or Discount in each Quarter.

				AMOUNT	AMOUNT	Average Premium, or Discount.
				Purchased.	Sold.	
				£.	£.	s. d.
Quarter ending	31 March	-	1821	-	Nil.	
	30 June	-	"	-	Nil.	
	30 September	-	"	-	Nil.	
	31 December	-	"	-	Nil.	
	31 March	-	1822	-	Nil.	
	30 June	-	"	-	Nil.	
	30 September	-	"	75,000	Nil	2 11 $\frac{1}{2}$ Pm.
	31 December	-	"	1,196,000	Nil	4 3 $\frac{3}{4}$ Pm.
	31 March	-	1823	-	Nil.	
	30 June	-	"	-	Nil.	
	30 September	-	"	-	Nil.	
	31 December	-	"	-	Nil.	
	31 March	-	1824	-	Nil.	
	30 June	-	"	-	Nil.	
	30 September	-	"	-	Nil.	
	31 December	-	"	-	Nil.	
	31 March	-	1825	-	Nil.	
	30 June	-	"	-	Nil.	
	30 September	-	"	-	670,000	3 - $\frac{1}{2}$ Pm.
	31 December	-	"	-	259,000	1 3 $\frac{1}{2}$ Pm.
	31 March	-	1826	-	855,000	3 4 Disc ^t .
	30 June	-	"	-	-	- 3 Disc ^t .
	30 September	-	"	-	-	- 7 Disc ^t .
	31 December	-	"	-	-	
	31 March	-	1827	-	Nil.	
	30 June	-	"	-	Nil.	
	30 September	-	"	-	Nil.	
	31 December	-	"	-	Nil.	
	31 March	-	1828	-	Nil.	
	30 June	-	"	-	Nil.	
	30 September	-	"	-	Nil.	
	31 December	-	"	-	Nil.	
	31 March	-	1829	-	132,000	5 4 $\frac{1}{4}$ Pm.
	30 June	-	"	-	Nil.	
	30 September	-	"	-	Nil.	
	31 December	-	"	-	Nil.	
	31 March	-	1830	-	Nil.	
	30 June	-	"	-	Nil.	
	30 September	-	"	-	Nil.	
	31 December	-	"	-	50,000	4 4 Pm.
	31 March	-	1831	-	950,000	18 8 $\frac{1}{2}$ Pm.
	30 June	-	"	-	1,440,000	9 4 Pm.
	30 September	-	"	-	560,000	7 3 Pm.
	31 December	-	"	125,000	Nil	6 7 Pm.
	31 March	-	1832	-	231,000	9 2 Pm.
	30 June	-	"	-	425,000	7 10 $\frac{1}{2}$ Pm.
		-	"	169,000	Nil	9 7 $\frac{1}{4}$ Pm.
£.				4,551,000	5,341,000	

A STATEMENT of EXCHEQUER BILLS paid off at Par, during the before-mentioned periods.

				£:
1821:	January 11	-	-	200,000
	March 3	-	-	700,000
	- 21	-	-	500,000
	April 12	-	-	1,000,000
	May 21	-	-	500,000
1824:	December 14	-	-	1,000,000
1825:	March 21	-	-	1,000,000
	June 25	-	-	1,000,000
1826:	October 19	-	-	1,500,000
1827:	October 6	-	-	750,000
£.				8,150,000 at Par.

Bank of England, }
31st May 1832. }

T. Rippon,
Chief Cashier.

5415

Appendix, No. 66.

AN ACCOUNT, showing the ADVANCES made on EXCHEQUER BILLS by the BANK of England, for the Quarterly Charge of the Consolidated Fund, in each Quarter of the last Ten Years, ending 5th April 1832; stating the Period at which each of such Quarterly Advances was paid off, and the Total Amount of Interest paid to the Bank on such Advances in each Year.

QUARTER ending	QUARTERLY CHARGE.	PERIOD when Paid off.	YEAR'S INTEREST.
	£. s. d.		
July - 1822	7,376,255 18 8 $\frac{1}{2}$	26 June - 1822	5 April 1823 - £.39,494. 10.
October -	8,361,722 11 10 $\frac{1}{2}$	26 Sept. -	
January - 1823	6,857,986 - 11 $\frac{1}{4}$	17 Dec. -	
5 April -	5,928,354 13 3	8 March 1823	
July - 1823	3,793,218 8 9 $\frac{1}{2}$	6 June - 1823	5 April 1824 - £.9,884. 5.
October -	3,552,102 9 4 $\frac{1}{2}$	13 Aug. -	
January - 1824	1,722,310 16 - $\frac{1}{2}$	25 Nov. -	
5 April -	1,541,928 11 1 $\frac{1}{2}$	28 Feb. - 1824	
July - 1824	169,979 5 3 $\frac{1}{2}$	25 May - 1824	5 April 1825 - £.1,425. 15.
October -	1,622,155 15 7 $\frac{1}{2}$	31 August -	
January - 1825	1,391,381 19 - $\frac{1}{2}$	7 Dec. -	
5 April -	1,550,031 5 6 $\frac{1}{2}$	18 Feb. 1825	
July - 1825	2,530,953 9 5 $\frac{1}{2}$	9 May - 1825	5 April 1826 - £.34,194. 9. 7.
October -	5,040,637 7 11 $\frac{1}{2}$	6 Sept. -	
January - 1826	4,023,550 19 - $\frac{1}{4}$	6 Dec. -	
5 April -	5,548,817 9 7	1 April - 1826	
July - 1826	6,438,787 5 3 $\frac{1}{2}$	7 June - 1826	5 April 1827 - £.69,561. 14. 6.
October -	6,632,542 18 - $\frac{3}{4}$	4 Sept. -	
January - 1827	5,249,289 5 - $\frac{1}{2}$	2 Dec. -	
5 April -	5,703,718 11 - $\frac{1}{4}$	4 April - 1827	
July - 1827	7,096,743 5 8	12 June - 1827	5 April 1828 - £.76,008. 14. 9.
October -	6,799,723 7 - $\frac{1}{2}$	19 Sept. -	
January - 1828	5,638,278 2 8	8 Dec. -	
5 April -	6,617,800 17 10 $\frac{1}{2}$	5 April - 1828	
July - 1828	7,376,724 2 2 $\frac{1}{2}$	2 July - 1828	5 April 1829 - £.80,152. 18. 7.
October -	7,870,935 5 3	17 Sept. -	
January - 1829	4,243,379 9 11 $\frac{1}{2}$	8 Dec. -	
5 April -	5,345,333 9 8 $\frac{1}{4}$	4 April - 1829	
July - 1829	5,660,335 8 4 $\frac{1}{2}$	13 June - 1829	5 April 1830 - £.65,286. 11. 5.
October -	7,256,166 9 3 $\frac{1}{2}$	17 Sept. -	
January - 1830	4,222,961 11 5 $\frac{1}{2}$	7 Dec. -	
5 April -	5,844,329 5 - $\frac{1}{2}$	24 March 1830	
July - 1830	5,567,926 19 2 $\frac{1}{2}$	18 June - 1830	5 April 1831 - £.57,733. 3. 7.
October -	6,886,067 17 8	22 Sept. -	
January - 1831	3,489,580 16 6 $\frac{1}{2}$	4 Dec. -	
5 April -	4,327,966 16 -	2 April - 1831	
July - 1831	4,782,940 9 7 $\frac{1}{2}$	1 June - 1831	5 April 1832 - £.57,051. 12. 1.
October -	5,384,591 17 10 $\frac{1}{2}$	6 Oct. -	
January - 1832	5,420,702 10 7	16 Dec. -	
5 April -	5,768,347 10 4 $\frac{1}{2}$	31 March 1832	

Bank of England, }
8 June, 1832. }

Will^m Smee, Chief Acc^t.

Appendix, No. 67.

AN ACCOUNT of the Total Amount of EXCHEQUER BILLS held by the BANK of ENGLAND, for distinguishing, under separate heads, those held on account of Advances for the Supply, for the

	1 June 1816.	1 June 1817.	1 June 1818.	1 June 1819.	1 June 1820.	1 June 1821.	1 June 1822.
	£.	£.	£.	£.	£.	£.	£.
Exchequer Bills upon Malt Duty, &c.	2,640,000	595,000	2,562,000	2,262,000	2,375,000	2,412,000	—
Exchequer Bills Supply 1815, on Aids 1816, at £. 5. per cent. per annum - - - - -	1,500,000	—	—	—	—	—	—
Exchequer Bills for £. 3,000,000. Bank Loan 1808, without interest	3,000,000	3,000,000	3,000,000	3,000,000	100,000	—	—
Exchequer Bills for £. 6,000,000. Supply 1816, at £. 4. per cent. per annum - - - - -	2,425,000	6,000,000	6,000,000	408,000	—	—	—
Exchequer Bills charged on the growing Produce of the Conso- lidated Fund - - - - -	—	—	500,000	2,919,000	3,297,000	2,910,000	1,898,000
Exchequer Bills upon Sugar, To- bacco, &c. - - - - -	—	—	—	—	—	—	1,021,000
Exchequer Bills for £. 20,000,000. for 1822, issued to pay off Navy £. 5. per cents - - - - -	—	—	—	—	—	—	110,300
Exchequer Bills charged on Supplies 1825, issued to pay off £. 4. per cent. Annuities 1780 - - - - -	—	—	—	—	—	—	—
Exchequer Bills for £. 20,000,000. for the Service of 1825, issued to pay off £. 5. per cent. Annuities 1797 - - - - -	—	—	—	—	—	—	—
Exchequer Bills for £. 10,500,000. for the Service of 1825, issued to pay off £. 5. per cent. Annuities 1797 - - - - -	—	—	—	—	—	—	—
Exchequer Bills on Personal Estates, Offices, &c. - - - - -	—	—	—	—	—	—	—
Exchequer Bills on Sugar - - - - -	—	—	—	—	—	—	—
£.	9,565,000	9,595,000	12,062,000	8,589,000	5,772,000	5,322,000	3,029,300

Bank of England, }
8th June 1832. }

Appendix, No. 67.

ADVANCES to the TREASURY, on the 1st June in each Year from 1816 to 1832, both inclusive;
Quarterly Charge of the Consolidated Fund, and for the Payment of the 4 and 5 per Cent. Stock.

1 June 1823.	1 June 1824.	1 June 1825.	1 June 1826.	1 June 1827.	1 June 1828.	1 June 1829.	1 June 1830.	1 June 1831.	1 June 1832.
£.	£.	£.	£.	£.	£.	£.	£.	£.	£.
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
Nil	Nil	Nil	1,106,787	1,056,743	3,041,000	1,710,335	2,894,926	82,940	3,540,853
Nil	826,000	—	—	—	—	—	—	—	—
1,716,800	356,800	—	—	—	—	—	—	—	—
—	—	4,502,000	1,902,000	70,000	35,550	43,600	21,800	9,800	7,600
—	—	—	10,000	—	—	—	—	—	—
—	—	—	30,000	9,000	9,000	9,000	2,000	2,000	2,000
—	—	—	—	2,082,000	—	—	—	—	—
—	—	—	—	—	—	—	—	1,467,000	—
1,716,800	1,182,800	4,502,000	3,048,787	3,217,743	3,085,550	1,762,935	2,918,726	1,561,740	3,550,453

Willm Smee,

Chief Acc^t.

Appendix, No. 68.

AN ACCOUNT of the TOTAL AMOUNT of all EXCHEQUER BILLS held by the BANK of ENGLAND, on the 1st June in each Year from 1816 to 1832 inclusive.

	£.		£.
On the 1st June 1816 - -	23,372,600	On the 1st June 1825 - -	12,913,000
— 1817 - -	24,000,500	— 1826 - -	11,606,787
— 1818 - -	26,342,400	— 1827 - -	10,099,743
— 1819 - -	21,669,900	— 1828 - -	9,217,550
— 1820 - -	18,711,900	— 1829 - -	7,762,935
— 1821 - -	14,461,900	— 1830 - -	8,918,726
— 1822 - -	12,169,200	— 1831 - -	5,121,700
— 1823 - -	12,127,800	— 1832 - -	6,650,453
— 1824 - -	11,593,800		

Will^m Smee, Chief Acct.

Appendix, No. 69.

AN ACCOUNT of the Total Amount of the EXCHEQUER BILLS held by the BANK of England on account of ADVANCES made to the TREASURY (not including Advances on the growing Produce of the Consolidated Fund, nor Advances on the Sinking Fund for the Discharge of Five and Four per Cent Stock) on the 1st June in each Year, from 1816 to 1832, both inclusive; specifying the Dates of each Advance made by the Bank, and of each Discharge of such Exchequer Bills by the Treasury.

1816: June 1. Exchequer Bills for £. 3,000,000, } upon Malt Duty, &c. 1816 - }		£.	
		2,640,000	
Advanced.		Discharged.	
£.		£.	
1816: April 6 -	4,000	1816: June 19 -	112,000
8 -	86,000	26 -	48,000
13 -	136,000	July 3 -	68,000
24 -	923,000	10 -	70,000
26 -	300,000	24 -	78,000
27 -	100,000	31 -	48,000
29 -	220,000	Aug. 7 -	79,000
May 2 -	105,000	14 -	138,000
3 -	100,000	21 -	87,000
4 -	50,000	28 -	111,000
7 -	65,000	Sept. 4 -	67,000
8 -	97,000	11 -	51,000
9 -	25,000	19 -	43,000
10 -	95,000	25 -	113,000
11 -	100,000	Oct. 2 -	89,000
13 -	50,000	9 -	70,000
15 -	184,000	15 -	83,000
		30 -	151,000
		Nov. 13 -	164,000
		20 -	78,000
		27 -	80,000
		Dec. 4 -	128,000
		11 -	184,000
		18 -	117,000
		30 -	98,000
		1817: Jan. 2 -	53,000
		8 -	132,000
		15 -	5,000
		21 -	84,000
		29 -	11,000
£. 2,640,000		£. 2,640,000	

Exchequer Bills, Supply 1815, on Aids 1816, }
at £. 5. per cent per annum - - - } 1,500,000 |

Advanced, 25th November 1815.
Discharged 16th October 1816.

Carried forward - - - £. 4,140,000

Appendix, No. 69—continued.

		£.	
Brought forward - - - -		4,140,000	
Exchequer Bills for £. 3,000,000 Bank Loan 1808, } without Interest, per 48 Geo. 3, cap. 3. - - - }		3,000,000	
Advanced		Discharged.	
£.		£.	
1808: March 10 -	514,000	1819: Dec. 3 -	40,000
14 -	383,000	4 -	10,000
17 -	319,000	6 -	4,000
21 -	1,370,000	7 -	60,000
23 -	414,000	13 -	11,000
		1820: Jan. 3 -	10,000
		5 -	40,000
		8 -	11,000
		10 -	80,000
		11 -	4,000
		12 -	30,000
		14 -	13,000
		15 -	500,000
		18 -	11,000
		26 -	50,000
		27 -	1,000,000
		28 -	11,000
		31 -	5,000
		Feb. 3 -	200,000
		4 -	70,000
		5 -	62,000
		7 -	21,000
		10 -	28,000
		11 -	10,000
		21 -	22,000
		March 1 -	13,000
		2 -	14,000
		8 -	18,000
		23 -	110,000
		24 -	20,000
		28 -	33,000
		29 -	4,000
		April 1 -	76,000
		3 -	48,000
		4 -	47,000
		5 -	51,000
		11 -	36,000
		12 -	20,000
		17 -	23,000
		21 -	27,000
		27 -	27,000
		May 12 -	30,000
		July 12 -	100,000
£. 3,000,000		£. 3,000,000	

Exchequer Bills for £. 6,000,000, Supply 1816, }
at £. 4 per cent per annum - - - - }

Advanced.		Discharged.	
£.		£.	
1816: May 15 -	343,000	1818: Sept. 16 -	300,000
18 -	106,000	Oct. 6 -	200,000
20 -	80,000	22 -	1,000,000
21 -	1,265,000	Nov. 3 -	300,000
24 -	200,000	Dec. 3 -	600,000
25 -	50,000	7 -	25,000
27 -	142,000		
28 -	20,000		
30 -	39,000		
June 1 -	180,000		
£. 2,425,000		£. 2,425,000	

Held by the Bank, 1st June 1816 - - - - £. 9,565,000

Appendix, No. 69—continued.

1817: June 1. Exchequer Bills for £.3,000,000, }
upon Malt Duty, &c. 1817 - - - } £. 595,000

Advanced.		£.	Discharged.		£.
1817: March	15	- 217,000	1817: June	5	- 154,000
	18	- 13,000		12	- 88,000
	20	- 27,000		18	- 78,000
	21	- 7,000	July	2	- 132,000
	22	- 61,000		9	- 143,000
	24	- 88,000			
	26	- 8,000			
	27	- 5,000			
	29	- 100,000			
April	2	- 53,000			
	3	- 16,000			
		<u>£. 595,000</u>			<u>£. 595,000</u>

Exchequer Bills for £. 3,000,000 Bank Loan 1808, without Interest 3,000,000
Advanced between 10th and 23d March 1808.
Discharged between 3d Dec. 1819 and 12th July 1820.
See Statement in Account, 1 June 1816.

Exchequer Bills for £. 6,000,000, Supply 1816, }
at £. 4 per cent per annum - - - } £. 6,000,000

Advanced.		£.	Discharged.		£.
Advanced between 15 May and 1 June 1816.			Discharged between 16 Sept. and 7 Dec. 1818.		
See Statement in Account 1 June 1816.		2,425,000	See Statement in Account 1 June 1816.		2,425,000
1816: June	6	- 88,000	1818: Dec.	7	- 175,000
	10	- 390,000	1819: Jan.	18	- 500,000
	12	- 75,000	April	2	- 2,492,000
	13	- 40,000	Nov.	3	- 250,000
	17	- 144,000		8	- 158,000
	21	- 143,000			
	22	- 250,000			
	25	- 100,000			
	26	- 111,000			
	28	- 50,000			
July	1	- 100,000			
	2	- 245,000			
	3	- 75,000			
	5	- 118,000			
	6	- 77,000			
	11	- 113,000			
	18	- 10,000			
	26	- 103,000			
	30	- 800,000			
Sept.	10	- 250,000			
Oct.	1	- 100,000			
	5	- 193,000			
		<u>£. 6,000,000</u>			<u>£. 6,000,000</u>

Held by the Bank, 1 June 1817 - - - £. 9,595,000

1818: June 1. Exchequer Bills for £.3,000,000 }
upon Malt Duty, &c. for 1818 - - - } £. 2,562,000

Advanced.		£.	Discharged.		£.
1818: March	6	- 24,000	1818: June	3	- 41,000
	9	- 445,000		10	- 45,000
	10	- 20,000		17	- 28,000
	11	- 23,000		25	- 32,000
	12	- 9,000	July	1	- 26,000
	13	- 73,000		8	- 115,000
	16	- 57,000		16	- 99,000
	17	- 10,000		29	- 50,000
	18	- 2,000	August	5	- 79,000
	19	- 140,000		13	- 55,000
Carried forward		<u>£. 803,000</u>			<u>£. 570,000</u>
					<u>£. 2,562,000</u>

Appendix, No. 69—continued.

Advanced.		Discharged.		Brought forward - - - £.	
	£.		£.		£.
Brought up	803,000	Brought up	570,000		2,562,000
1818: March 21	151,000	1818: August 19	58,000		
26	115,000	26	110,000		
27	32,000	Sept. 3	106,000		
30	158,000	9	134,000		
31	34,000	Oct. 7	212,000		
April 2	83,000	14	98,000		
3	86,000	29	100,000		
4	48,000	Nov. 6	100,000		
6	25,000	11	78,000		
7	8,000	18	127,000		
8	8,000	Dec. 2	101,000		
9	7,000	9	142,000		
10	30,000	16	169,000		
11	5,000	23	174,000		
13	25,000	30	105,000		
14	2,000	1819: Jan. 7	43,000		
15	2,000	13	77,000		
16	13,000	20	58,000		
17	20,000				
18	20,000				
22	71,000				
24	66,000				
27	2,000				
28	151,000				
29	280,000				
May 2	37,000				
4	50,000				
5	113,000				
6	20,000				
7	8,000				
8	55,000				
9	17,000				
14	3,000				
16	1,000				
19	13,000				
	<u>£. 2,562,000</u>		<u>£. 2,562,000</u>		

Exchequer Bills for £. 3,000,000, Bank Loan 1808, without Interest
Advanced between 10th and 23d March 1808. 3,000,000

Discharged between 3d Dec. 1819 and 12th July 1820.

See Statement in Account, 1 June 1816.

Exchequer Bills for £. 6,000,000, Supply 1816, }
at £. 4 per cent per annum - - - } 6,000,000

Advanced between 15th May and 5th Oct. 1816.

Discharged between 16th Sept. 1818 and 8th Nov. 1819.

See Statements 1st June 1816 and 1st June 1817.

Held by the Bank, 1 June 1818 - - - £. 11,562,000

1819: June 1. Exchequer Bills for £. 3,000,000 }
upon Malt Duty, &c. for 1819 - - - } 2,262,000

Advanced.		Discharged.		Carried forward - - - £.	
	£.		£.		£.
1819: Feb. 22	2,000	1819: June 9	153,000		
25	138,000	16	122,000		
26	33,000	23	96,000		
27	20,000	July 7	299,000		
Mar. 2	15,000	15	88,000		
4	183,000	21	105,000		
6	6,000	28	111,000		
9	42,000	August 4	95,000		
10	157,000	11	105,000		
13	12,000	18	109,000		
15	99,000	Sept. 1	201,000		
17	45,000	8	71,000		
18	68,000	15	164,000		
	<u>£. 820,000</u>		<u>£. 1,719,000</u>		<u>£. 2,262,000</u>

Appendix, No. 69—continued.

Brought forward - - - - - £. 2,262,000

Advanced.		Discharged.	
Brought up £.820,000		Brought up £.1,719,000	
1819: March	19 - 51,000	1819: Sept.	30 - 224,000
	22 - 15,000	Oct.	6 - 114,000
	23 - 141,000		12 - 111,000
	24 - 125,000		20 - 94,000
	26 - 21,000		
	27 - 70,000		
	29 - 57,000		
	30 - 37,000		
	31 - 94,000		
April	1 - 25,000		
	2 - 76,000		
	3 - 30,000		
	5 - 5,000		
	6 - 11,000		
	7 - 18,000		
	8 - 194,000		
	5 - 127,000		
	16 - 9,000		
	17 - 49,000		
	19 - 22,000		
	20 - 5,000		
	22 - 50,000		
	24 - 15,000		
	26 - 2,000		
	27 - 4,000		
	29 - 15,000		
	30 - 5,000		
May	3 - 4,000		
	4 - 16,000		
	6 - 4,000		
	10 - 12,000		
	13 - 1,000		
	15 - 1,000		
	18 - 4,000		
	19 - 2,000		
	21 - 9,000		
	25 - 6,000		
	26 - 40,000		
	28 - 70,000		
£. 2,262,000		£. 2,262,000	

Exchequer Bills for £. 3,000,000, Bank Loan 1808, without Interest
Advanced between 10th and 23d March 1808. 3,000,000

Discharged between 3d December 1819 and 12th July 1820.

See Statement in Account 1st June 1816.

Exchequer Bills for £.6,000,000, Supply 1816, }
at £.4 per cent per annum - - - - - } 408,000

Advanced.		Discharged.	
£.		£.	
1816: October	1 - 15,000	1819: Nov.	3 - 250,000
	5 - 393,000		8 - 158,000
£.408,000		£.408,000	

Held by the Bank, on the 1st June 1819 - - - £. 5,670,000

1820: June 1. Exchequer Bills for £.3,000,000 }
upon Malt Duty, &c. 1820 - } - 2,375,000

Advanced.		Discharged.	
£.		£.	
1820: Jan.	7 - 124,000	1820: June	5 - 45,000
	8 - 20,000		8 - 35,000
	10 - 30,000		12 - 46,000
Carried forward - £.174,000		- £.126,000	
		2,375,000	

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Appendix, No. 69—continued.

		Brought forward - - - - -		£.
				2,375,000
Advanced.		Discharged.		
Brought up £. 174,000		Brought up £. 126,000		
1820: Jan.	11 - 40,000	1820: June	15 - £. 39,000	
	12 - 25,000		19 - 36,000	
	13 - 51,000		22 - 39,000	
	14 - 40,000		27 - 61,000	
	18 - 138,000		30 - 38,000	
	20 - 30,000	July	3 - 51,000	
	22 - 28,000		7 - 47,000	
	24 - 189,000		10 - 3,000	
	26 - 168,000		13 - 113,000	
	28 - 71,000		18 - 140,000	
Feb.	3 - 164,000		20 - 46,000	
	4 - 10,000		24 - 72,000	
	5 - 10,000		27 - 32,000	
	7 - 45,000		31 - 71,000	
	9 - 20,000	Aug.	3 - 34,000	
	10 - 210,000		7 - 72,000	
	12 - 96,000		10 - 41,000	
	18 - 129,000		14 - 63,000	
	21 - 30,000		17 - 42,000	
	23 - 256,000		21 - 68,000	
	28 - 30,000		25 - 37,000	
	29 - 50,000		28 - 93,000	
March	2 - 20,000		31 - 39,000	
	3 - 5,000	Sept.	5 - 97,000	
	6 - 62,000		11 - 49,000	
	10 - 21,000		15 - 40,000	
	11 - 10,000		19 - 96,000	
	13 - 52,000		22 - 1,000	
	14 - 15,000		23 - 60,000	
	15 - 10,000		25 - 118,000	
	17 - 14,000		28 - 30,000	
	23 - 100,000	Oct.	2 - 76,000	
April	1 - 10,000		5 - 50,000	
	4 - 3,000		9 - 70,000	
	5 - 5,000		11 - 42,000	
	8 - 1,000		20 - 110,000	
	10 - 3,000		23 - 63,000	
	12 - 1,000		26 - 51,000	
	14 - 2,000		31 - 19,000	
	15 - 5,000			
	17 - 5,000			
	18 - 10,000			
	19 - 10,000			
	20 - 5,000			
May	5 - 2,000			
	£. 2,375,000		£. 2,375,000	
Exchequer Bills for £. 3,000,000, Bank Loan 1808, without Interest				100,000
Advanced March 23d, 1808.				
Discharged, July 12th, 1820.				
Held by the Bank, on the 1st June 1820 -				£.
				2,475,000
1821: June 1. Exchequer Bills for £. 4,000,000 } upon Malt Duty, &c. 1821 - }				2,412,000
Advanced.		Discharged.		
				£.
1821: March	5 - 78,000	1821: June	4 - 57,000	
	12 - 45,000		7 - 21,000	
	15 - 35,000		14 - 37,000	
	19 - 87,000		15 - 26,000	
	21 - 500,000		18 - 54,000	
	22 - 46,000		21 - 46,000	
Carried forward	£. 791,000		£. 241,000	£. 2,412,000

Appendix, No. 69—continued.

		Brought forward - - - -		£.
				2,412,000
Advanced.		Discharged.		
	£.		£.	
Brought up 791,000		Brought up 241,000		
1822: March 23	- 171,000	1821: June 25	- 83,000	
27	- 98,000	28	- 45,000	
28	- 15,000	July 2	- 60,000	
29	- 50,000	7	- 80,000	
31	- 30,000	12	- 74,000	
April 2	- 69,000	16	- 64,000	
4	- 25,000	20	- 52,000	
5	- 106,000	23	- 62,000	
10	- 30,000	27	- 35,000	
12	- 35,000	30	- 90,000	
13	- 70,000	Aug. 3	- 46,000	
16	- 25,000	6	- 70,000	
17	- 70,000	9	- 48,000	
19	- 96,000	13	- 67,000	
21	- 105,000	16	- 30,000	
26	- 28,000	Sept. 4	- 60,000	
27	- 103,000	6	- 63,000	
May 2	- 57,000	10	- 76,000	
3	- 14,000	13	- 43,000	
4	- 140,000	17	- 98,000	
10	- 210,000	20	- 71,000	
14	- 74,000	24	- 112,000	
		27	- 82,000	
		Oct. 2	- 76,000	
		4	- 66,000	
		8	- 62,000	
		12	- 97,000	
		15	- 16,000	
		19	- 118,000	
		22	- 80,000	
		25	- 82,000	
		29	- 63,000	
	£. 2,412,000		£. 2,412,000	
Held by the Bank, on the 1st June 1821		-		£.
				2,412,000
1822: June 1. Exchequer Bills for £. 3,000,000, } upon Sugar, Tobacco, &c. 1822 }		-		1,021,000
Advanced.		Discharged.		
	£.		£.	
1822: March 23	- 13,000	1822: June 6	- 59,000	
26	- 20,000	13	- 32,000	
27	- 102,000	17	- 82,000	
29	- 150,000	20	- 30,000	
April 2	- 185,000	25	- 63,000	
3	- 70,000	27	- 23,000	
4	- 10,000	July 2	- 34,000	
6	- 25,000	4	- 21,000	
12	- 25,000	8	- 33,000	
13	- 3,000	11	- 4,000	
15	- 13,000	16	- 115,000	
17	- 10,000	18	- 45,000	
19	- 16,000	22	- 91,000	
20	- 43,000	26	- 60,000	
22	- 1,000	29	- 87,000	
26	- 4,000	Aug. 2	- 47,000	
29	- 15,000	5	- 73,000	
May 9	- 176,000	8	- 57,000	
24	- 40,000	12	- 65,000	
25	- 20,000			
31	- 30,000			
June 1	- 50,000			
	£. 1,021,000		£. 1,021,000	
Held by the Bank, on the 1st June 1822		-		£.
				1,021,000

Appendix, No. 69—continued.		
1823: June 1.	- - - Nil	£. Nil
1824: June 1.	Exchequer Bills for £. 3,000,000, } upon Sugar, Tobacco, &c. 1824 }	826,000

Advanced.		£.	Discharged.		£.
1824: April	13	- 119,000	1824: June	10	- 12,000
	14	- 30,000		12	- 3,000
	17	- 32,000		14	- 34,000
	22	- 6,000		17	- 32,000
May	12	- 137,000		21	- 42,000
	14	- 30,000		25	- 28,000
	17	- 30,000		28	- 61,000
	18	- 7,000	July	1	- 39,000
	19	- 74,000		6	- 156,000
	20	- 50,000		12	- 105,000
	22	- 5,000		16	- 63,000
	24	- 139,000		20	- 72,000
	25	- 26,000		22	- 79,000
	26	- 104,000		26	- 98,000
	28	- 36,000		29	- 2,000
June	1	- 1,000			
		<u>£. 826,000</u>			<u>£. 826,000</u>

Held by the Bank, on the 1st June 1824 - - - £. 826,000

1825: June 1.	- - - Nil	Nil.
1826: June 1.	- - - Nil	Nil.
1827: June 1.	Exchequer Bills for £. 3,000,000, } upon Personal Estates, Offices, &c. 1827 }	2,082,000

Advanced.		£.	Discharged.		£.
1827: April	5	- 133,000	1827: July	16	- 174,000
	6	- 396,000		20	- 77,000
	9	- 53,000		23	- 75,000
	10	- 64,000		27	- 41,000
	12	- 227,000		30	- 57,000
	14	- 2,000	Aug.	3	- 20,000
	19	- 1,000		6	- 49,000
May	3	- 55,000		9	- 24,000
	4	- 60,000		13	- 35,000
	7	- 103,000		16	- 15,000
	8	- 64,000		20	- 69,000
	9	- 3,000		23	- 23,000
	10	- 30,000		27	- 65,000
	11	- 20,000		30	- 73,000
	15	- 126,000	Sept.	4	- 51,000
	17	- 50,000		6	- 32,000
	18	- 44,000		10	- 67,000
	19	- 60,000		13	- 56,000
	23	- 160,000		17	- 64,000
	25	- 205,000		20	- 28,000
	26	- 20,000		24	- 30,000
	30	- 150,000		27	- 58,000
	31	- 9,000	Oct.	2	- 38,000
June	1	- 47,000		4	- 20,000
				8	- 29,000
				11	- 180,000
				19	- 51,000
				22	- 40,000
				25	- 30,000
				29	- 88,000
			Nov.	3	- 53,000
				6	- 56,000
				8	- 44,000
				12	- 45,000
Carried forward		<u>£. 2,082,000</u>			<u>£. 1,857,000</u>
					2,082,000

Appendix, No. 69—continued.

Appendix, No. 69—continued.				Brought forward - - -		£.
						2,082,000
Advanced.		Discharged.				
Brought up, £. 2,082,000		Brought up, £. 1,857,000				
		1827: Nov. 16	-	25,000		
		20	-	13,000		
		22	-	30,000		
		26	-	98,000		
		29	-	43,000		
		Dec. 3	-	16,000		
		£. 2,082,000		£. 2,082,000		
Held by the Bank 1 June 1827 - - -				£.	2,082,000	
1828: June 1	-	-	-	Nil	Nil.	
1829: June 1	-	-	-	Nil	Nil.	
1830: June 1	-	-	-	Nil	Nil.	
1831: June 1.	Exchequer Bills for £. 3,000,000 upon Sugar, 1831 -				1,467,000	
Advanced.		Discharged.				
£.		£.				
1831: April 18	-	47,000	1831: June 2	-	24,000	
19	-	2,000	6	-	35,000	
20	-	83,000	9	-	83,000	
21	-	30,000	14	-	50,000	
22	-	257,000	16	-	35,000	
26	-	74,000	20	-	102,000	
27	-	52,000	23	-	45,000	
29	-	122,000	30	-	109,000	
30	-	126,000	July 1	-	82,000	
May 2	-	26,000	4	-	102,000	
6	-	10,000	6	-	49,000	
9	-	1,000	14	-	118,000	
11	-	57,000	18	-	128,000	
13	-	33,000	21	-	52,000	
16	-	2,000	26	-	59,000	
17	-	175,000	28	-	63,000	
20	-	18,000	August 2	-	52,000	
26	-	115,000	4	-	33,000	
31	-	177,000	8	-	42,000	
June 1	-	60,000	11	-	18,000	
			16	-	40,000	
			18	-	41,000	
			22	-	96,000	
			26	-	9,000	
£. 1,467,000		£. 1,467,000				
Held by the Bank, 1 June 1831 - - -				£.	1,467,000	
1832: June 1	-	-	-	Nil	Nil.	

Bank of England, }
13 June 1832. }

Will^m Smee,
Chief Acc^t.

Appendix, No. 70.

AN ACCOUNT of the Amount of EXCHEQUER BILLS paid off or exchanged in the Quarter ending September 1825.

In the Quarter ending September 1825:

Exchequer Bills paid off	-	-	-	-	nil.
Exchequer Bills exchanged	-	-	-	-	£.3,145,200

Appendix, No. 71.

AN ACCOUNT of the whole ADVANCE by the BANK of ENGLAND on GOVERNMENT SECURITIES held by them (except their own Stock) on the 1st of June in each Year from 1819 to 1825, inclusive, distinguished under their different heads; together with the AMOUNT of the BANK CIRCULATION at the same periods.

1819: 1st June.	£.	
Exchequer Bills for £.3,000,000, upon Malt Duty, &c. 1819	-	2,262,000
Ditto - - for 3,000,000, Bank Loan 1808, without Interest	-	3,000,000
Ditto - - for 6,000,000, Supply 1816	-	408,000
Ditto - - charged on the growing Produce of the Consolidated Fund, per 57 Geo. 3.	-	2,919,000
Ditto - - for £.24,000,000, for the Service of the year 1817	-	6,516,000
Ditto - - for 18,000,000, for the Service of the year 1817	-	4,662,800
Ditto - - for 9,000,000, for the Service of the year 1817	-	263,000
Ditto - - for 30,000,000, for the Service of the year 1818	-	1,639,100
Treasury Bills for the Service of Ireland, anno 1816, at £.5. per cent per annum, per 56 Geo. 3.	-	550,000
Ditto for ditto, anno 1817, at £.4. per cent per annum, per 57 Geo. 3.	-	2,100,000
	£.	24,319,900
1819: 1st June.		
Bank of England Notes in Circulation	£.	24,635,010
1820: 1st June.		
Exchequer Bills for £.3,000,000, upon Malt Duty, &c. 1820	-	2,375,000
Ditto - - for 3,000,000, Bank Loan 1808, without Interest	-	100,000
Ditto - - charged on the growing Produce of the Consolidated Fund, per 57 Geo. 3.	-	3,297,000
Ditto - - for £.24,000,000, for the Service of the year 1817	-	6,375,000
Ditto - - for 18,000,000, for the Service of the year 1817	-	4,662,800
Ditto - - for 9,000,000, for the Service of the year 1817	-	263,000
Ditto - - for 30,000,000, for the Service of the year 1818	-	1,639,100
Treasury Bills for the Service of Ireland, per 57 Geo. 3.	-	2,100,000
	£.	20,811,900
1820: 1st June.		
Bank of England Notes in Circulation	£.	23,181,250
1821: 1st June.		
Exchequer Bills, for £.4,000,000, upon Malt Duty, &c. 1821	-	2,412,000
Ditto - - charged on the growing Produce of the Consolidated Fund, per 57 Geo. 3.	-	2,910,000
Ditto - - for £.24,000,000, for the Service of the year 1817	-	1,575,000
Ditto - - for 18,000,000, for the Service of the year 1817	-	4,662,800
Ditto - - for 9,000,000, for the Service of the year 1817	-	263,000
Ditto - - for 30,000,000, for the Service of the year 1818	-	1,639,100
Ditto - - for 29,000,000, for the Service of the year 1820	-	1,000,000
	£.	14,461,900
1821: 1st June.		
Bank of England Notes in Circulation	£.	21,860,950

Appendix, No. 71.—Account of the whole Advance by the Bank of England, &c.—*continued.*

1822: 1st June.	£.
Exchequer Bills for £.3,000,000, upon Sugar, Tobacco, &c. 1822	1,021,000
Ditto - - charged on the growing Produce of the Consolidated Fund, per 57 Geo. 3. - - - - -	1,898,000
Ditto - - for £.20,000,000, for the Service of the year 1822	110,300
Ditto - - for 29,000,000, for the Service of the year 1820	3,000,000
Ditto - - for 29,000,000, for the Service of the year 1821	6,139,900
	£. 12,169,200
1822: 1st June.	
Bank of England Notes in Circulation	£. 16,505,290
1823: 1st June.	
Exchequer Bills for £.20,000,000, for the Service of the year 1822	5,097,300
Ditto - - for 29,000,000, for the Service of the year 1821	28,000
Ditto - - for 16,500,000, for the Service of the year 1822	6,048,000
Ditto - - on Supplies, for the Service of the year 1823	10,000
Ditto - - for £.20,000,000, for the Service of the year 1823	944,500
Advance towards the purchase of the Annuity of £.585,740, for 44 years from 5th April 1823 - - - - -	885,719
	£. 13,013,519
1823: 1st June.	
Bank of England Notes in Circulation	£. 17,425,710
1824: 1st June.	
Exchequer Bills for £.3,000,000, Sugar, Tobacco, &c. 1824	826,000
Ditto - - for 20,000,000, for the Service of the year 1822	356,800
Ditto - - for 16,500,000, for the Service of the year 1822	400,000
Ditto - - for 20,000,000, for the Service of the year 1823	3,153,300
Ditto - - for 14,700,000, for the Service of the year 1823	6,857,700
Advance towards the purchase of the Annuity of £.585,740, for 44 years from 5th April 1823 - - - - -	2,917,719
	£. 14,511,519
1824: 1st June.	
Bank of England Notes in Circulation	£. 19,781,770
1825: 1st June.	
* Exchequer Bills charged on Supplies 1825, per 5 Geo. 4, c. 45	4,502,000
Ditto - - for £.15,000,000, for the Service of the year 1824	3,854,800
Ditto - - for 15,000,000, for the Service of the year 1824, per 5 Geo. 4, c. 115 - - - - -	3,592,200
Ditto - - for 20,000,000, for the Service of the year 1825	964,000
Advance towards the purchase of the Annuity of £.585,740, for 44 years from 5th April 1823 - - - - -	4,861,196
	£. 17,774,196
1825: 1st June.	
Bank of England Notes in Circulation	£. 19,576,770

* N. B.—Exchequer Bills charged on Supplies 1825, per 5 Geo. 4. c. 45, were issued for the payment of £.4. per cent Dissentients. The amount advanced on the above date was £.4,151,200, and the above Exchequer Bills were held by the Bank as a collateral Security for such Advances.

Bank of England, }
27th July 1832 }

Willm Smee,
Chief Acct.

Appendix, No. 72.

AN ACCOUNT of the AVERAGE AMOUNT of SILVER COIN RECEIVED DAILY from Persons, other than Customers of the BANK, from the 5th April to 3d May 1832, both inclusive.

From 5 April to 3 May 1832, both inclusive, daily - - - £. 4,500

Will^m Smee, Chief Acct.

Appendix, No. 73.

AN ACCOUNT of the AMOUNT of SILVER COIN MELTED; also, the Loss sustained thereby in 1831.

	£.	s.	d.
Amount of Silver Coin melted in Bars - - - - -	565,000	-	-
Ditto - - - - melted and re-coined - - - - -	35,000	-	-
Amount of Silver Coin melted - - - - -	£. 600,000	-	-
Loss on Sixpenny Pieces - - - - -	4,601	1	3
Ditto on other Denominations - - - - -	62,982	19	2
Loss sustained - - - - -	£. 67,584	-	5

Will^m Smee, Chief Acct.

Appendix, No. 74.

AN ACCOUNT showing the PERIODS from which the ACCUMULATION of SILVER COIN took place; including the Branch Banks.

3 June 1826 - - - in the Bank - - - - -	£. 90,000
1 February 1827 - - - - -	409,000
29 March 1828 - - - - -	773,000
4 June 1830 - - - - -	936,000

Will^m Smee, Chief Acct.

Appendix, No. 75.

AN ACCOUNT of the AVERAGE AMOUNT of COINED GOLD in the possession of the BANK, for the Years ending the 28th February 1815, 1816, 1817, 1818, 1819, 1820, 1821, 1822, 1823, 1824, 1825, 1826, 1827, 1828, 1829, 1830, 1831 and 1832.

For the Year ending	£.
1815 - - - - -	1,631,000
1816 - - - - -	1,468,000
1817 - - - - -	1,366,000
1818 - - - - -	3,311,000
1819 - - - - -	4,805,000
1820 - - - - -	2,957,000
1821 - - - - -	3,162,000
1822 - - - - -	4,805,000
1823 - - - - -	7,509,000
1824 - - - - -	7,575,000
1825 - - - - -	6,405,000
1826 - - - - -	2,682,000
1827 - - - - -	3,769,000
1828 - - - - -	7,987,000
1829 - - - - -	7,230,000
1830 - - - - -	5,047,000
1831 - - - - -	6,761,000
1832 - - - - -	4,772,000

T. Rippon, Chief Cashier.

Appendix, No. 77.

BALANCE of GOLD COIN delivered to the Public between the 1st July
and 1st November 1824.

	£.
Delivered to the Public - - - - -	675,000
Ditto - - to N. M. Rothschild, Esq. from the 21st July to the 28th August 1824, both days inclusive - - -	885,000
	£. 1,560,000

Bank of England, }
9th June 1832. }T. Rippon,
Chief Cashier.

Appendix, No. 78.

AN ACCOUNT of the AVERAGE AMOUNTS of all PROMISSORY NOTES and POST
BILLS of the Governor and Company of the Bank of *England*, in CIRCULATION, in
the Years 1828, 1829, 1830 and 1831.

In the Year 1828 - - - - -	£. 21,039,860
1829 - - - - -	19,639,970
1830 - - - - -	20,491,120
1831 - - - - -	18,651,940

Will^m Smee, Chief Acct.

Appendix, No. 79.

AN ACCOUNT of the AMOUNT of all PROMISSORY NOTES and POST BILLS of the
Governor and Company of the Bank of *England* in CIRCULATION on the 1st May 1832.

1st May 1832 - - - - -	£. 19,046,220
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Will^m Smee, Chief Acct.

Appendix, No. 80.

AN ACCOUNT of the AMOUNT of BANK NOTES IN CIRCULATION, of DATES
beyond 5, 10, 15 and 20 Years respectively.

Bank Notes of £. 5 and upwards, and Post Bills outstanding, dated prior to 1 Jan. 1812 - - -	£. 280,380
Ditto - dated between 1 Jan. 1812 and 1 Jan. 1817 - - - - -	95,600
Ditto - dated between 1 Jan. 1817 and 1 Jan. 1822 - - - - -	149,860
Ditto - dated between 1 Jan. 1822 and 1 Jan. 1827 - - - - -	511,490
Bank Notes of £. 5 and upwards, and Post Bills - - - - -	£. 1,037,330

The Bank are unable to state what amount of £. 1 and £. 2 Notes is outstanding of the dates above specified, but the present Amount is	£. 297,000
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Will^m Smee, Chief Acct.

Appendix, No. 81.

AN ACCOUNT of the Average Amounts of PROMISSORY NOTES and POST BILLS of
the BANK of *England* in CIRCULATION in each Year, from the Year 1814 to the
Year 1827, both inclusive.

£.				£.					
1814	-	-	-	26,927,650	1821	-	-	-	21,577,670
1815	-	-	-	26,887,010	1822	-	-	-	17,862,890
1816	-	-	-	26,574,840	1823	-	-	-	18,629,540
1817	-	-	-	28,274,880	1824	-	-	-	20,135,360
1818	-	-	-	27,221,200	1825	-	-	-	20,105,030
1819	-	-	-	25,145,310	1826	-	-	-	22,251,600
1820	-	-	-	23,920,080	1827	-	-	-	21,512,480

Will^m Smee, Chief Acct.

Appendix, No. 82.

AN ACCOUNT of the AVERAGE AMOUNT of BANK NOTES in Circulation in each Quarter of a Year, from 1792 to the present time; distinguishing Notes under £.5.

AVERAGES in the Quarters Ending		31 MARCH.	30 JUNE.	30 SEPTEMBER.	31 DECEMBER.
1792 Bank Notes of £.5. and upwards	- - -	11,299,040	11,759,100	11,367,160	11,202,840
1793 - - ditto - - -	- - -	12,009,370	12,257,420	11,023,190	11,066,460
1794 - - ditto - - -	- - -	11,396,240	10,549,710	10,422,900	10,964,980
1795 - - ditto - - -	- - -	12,421,260	10,888,090	11,025,840	11,596,520
1796 - - ditto - - -	- - -	10,809,690	10,767,750	9,696,410	9,609,340
1797 ditto, including under £.5.	- - -	9,820,190	11,749,070	11,003,070	11,386,480
1798 ditto - - ditto - - -	- - -	12,879,590	13,016,320	12,152,010	12,235,220
1799 ditto - - ditto - - -	- - -	12,985,180	13,758,870	13,364,660	13,776,160
1800 ditto - - ditto - - -	- - -	15,023,430	14,955,870	15,129,250	15,491,780
1801 ditto - - ditto - - -	- - -	16,443,710	15,822,180	15,292,100	15,680,310
1802 ditto - - ditto - - -	- - -	15,588,560	16,787,410	16,958,800	17,379,760
1803 ditto - - ditto - - -	- - -	15,661,510	16,233,690	16,780,380	17,266,510
1804 ditto - - ditto - - -	- - -	17,633,620	17,611,090	17,133,570	17,248,690
Bank Notes of £.5. and upwards	- - -	17,618,480	12,449,050	12,063,970	12,063,360
Ditto, under £.5. - - -	- - -	- - -	4,481,100	4,424,430	4,431,620
1805 - - -	- - -	17,618,480	16,930,150	16,488,400	16,494,980
Bank Notes of £.5. and upwards	- - -	12,425,470	12,715,090	12,410,430	12,422,260
Ditto, under £.5. - - -	- - -	4,427,970	4,304,910	4,263,230	4,190,430
1806 - - -	- - -	16,853,440	17,020,000	16,673,660	16,612,690
Bank Notes of £.5. and upwards	- - -	12,427,290	12,731,850	12,744,520	12,257,470
Ditto, under £.5. - - -	- - -	4,230,180	4,059,370	4,230,140	4,142,710
1807 - - -	- - -	16,657,470	16,791,220	16,974,660	16,400,180
Bank Notes of £.5. and upwards	- - -	12,524,810	13,189,270	13,060,650	13,259,780
Ditto, under £.5. - - -	- - -	4,121,050	3,995,490	4,113,970	4,163,380
1808 - - -	- - -	16,645,860	17,184,760	17,174,620	17,423,160
Bank Notes of £.5. and upwards	- - -	13,504,510	13,978,370	14,144,960	14,464,730
Ditto, under £.5. - - -	- - -	4,335,880	4,555,880	5,195,830	5,477,730
1809 - - -	- - -	17,840,390	18,534,250	19,340,790	19,942,460
Bank Notes of £.5. and upwards	- - -	14,544,420	15,177,400	17,075,940	16,873,760
Ditto, under £.5. - - -	- - -	5,898,320	6,168,700	7,094,330	7,333,130
1810 - - -	- - -	20,442,740	21,346,100	24,170,270	24,206,890
Bank Notes of £.5. and upwards	- - -	16,096,080	16,274,680	15,717,320	15,413,310
Ditto, under £.5. - - -	- - -	7,237,350	7,334,550	7,562,240	7,495,180
1811 - - -	- - -	23,333,430	23,609,230	23,279,560	22,908,490

Appendix, No. 82.—ACCOUNT of the Average Amount of Bank Notes in Circulation.—*continued.*

AVERAGES in the Quarters ending } - -	31 MARCH.	30 JUNE.	30 SEPTEMBER.	31 DECEMBER.
Bank Notes of £. 5. and upwards	15,816,350	15,458,660	15,833,770	15,647,350
Ditto, under £. 5. - - -	7,505,670	7,465,560	7,626,500	7,672,170
1812 - - -	23,322,020	22,924,220	23,460,270	23,319,520
Bank Notes of £. 5. and upwards	16,144,920	16,138,590	15,899,210	16,092,590
Ditto, under £. 5. - - -	7,788,220	7,807,600	8,057,120	8,165,940
1813 - - -	23,933,140	23,946,190	23,956,330	24,258,530
Bank Notes of £. 5. and upwards	16,803,390	17,237,670	19,067,920	18,502,690
Ditto, under £. 5. - - -	8,354,320	8,626,600	9,571,950	9,465,910
1814 - - -	25,157,710	25,864,270	28,639,870	27,968,600
Bank Notes of £. 5. and upwards	18,075,430	17,936,610	17,714,910	16,912,840
Ditto, under £. 5. - - -	9,222,860	9,076,830	9,456,520	9,161,730
1815 - - -	27,298,290	27,013,440	27,171,430	26,074,570
Bank Notes of £. 5. and upwards	17,484,520	17,311,280	18,063,320	17,472,630
Ditto, under £. 5. - - -	9,088,760	9,051,960	9,170,380	8,656,410
1816 - - -	26,573,280	26,363,240	27,233,700	26,129,040
Bank Notes of £. 5. and upwards	18,900,600	19,645,180	21,517,920	21,167,300
Ditto, under £. 5. - - -	8,237,690	7,896,020	7,986,160	7,748,640
1817 - - -	27,138,290	27,541,200	29,504,080	28,915,940
Bank Notes of £. 5. and upwards	20,957,420	20,113,410	19,356,050	18,523,430
Ditto, under £. 5. - - -	7,458,310	7,379,930	7,537,460	7,481,810
1818 - - -	28,415,730	27,493,340	26,893,510	26,005,240
Bank Notes of £. 5. and upwards	18,363,220	18,165,090	18,182,030	16,950,240
Ditto, under £. 5. - - -	7,431,220	7,226,880	7,301,930	6,960,560
1819 - - -	25,794,440	25,391,970	25,483,960	23,910,800
Bank Notes of £. 5. and upwards	17,375,740	17,099,080	17,707,470	16,708,650
Ditto, under £. 5. - - -	6,758,110	6,662,920	6,757,020	6,569,380
1820 - - -	24,133,850	23,762,000	24,464,490	23,278,030
Bank Notes of £. 5. and upwards	17,635,790	17,489,950	18,030,900	16,558,730
Ditto, under £. 5. - - -	6,521,270	5,398,330	2,718,460	1,957,190
1821 - - -	24,157,060	22,888,280	20,749,360	18,515,920
Bank Notes of £. 5. and upwards	17,136,470	16,256,140	17,503,640	16,402,170
Ditto, under £. 5. - - -	1,450,330	1,063,170	875,800	763,770
1822 - - -	18,586,800	17,319,310	18,379,440	17,165,940
Bank Notes of £. 5. and upwards	17,447,550	17,375,760	18,709,020	18,603,210
Ditto, under £. 5. - - -	689,560	617,510	557,010	518,480
1823 - - -	18,137,110	17,993,270	19,266,030	19,121,690

Appendix, No. 82.—ACCOUNT of the Average Amount of Bank Notes in Circulation—*continued.*

AVERAGES in the Quarters ending } - -	31 MARCH.	30 JUNE.	30 SEPTEMBER.	31 DECEMBER.
Bank Notes of £. 5. and upwards	19,174,890	19,442,730	20,177,820	19,913,040
Ditto, under £. 5. - - -	490,310	464,060	446,590	431,930
1824 - - -	19,665,200	19,906,790	20,624,410	20,344,970
Bank Notes of £. 5. and upwards	20,665,600	19,429,990	19,378,290	19,245,430
Ditto, under £. 5. - - -	418,870	407,780	398,070	503,410
1825 - - -	21,084,470	19,837,770	19,776,360	19,748,840
Bank Notes of £. 5. and upwards	23,135,690	21,563,030	20,517,790	19,055,600
Ditto, under £. 5. - - -	1,343,980	1,489,940	1,215,850	895,670
1826 - - -	24,479,670	23,052,970	21,733,640	19,951,270
Bank Notes of £. 5. and upwards	20,583,570	21,054,260	21,916,750	20,314,060
Ditto, under £. 5. - - -	686,670	558,420	487,770	448,320
1827 - - -	21,270,240	21,612,680	22,404,520	20,762,380
Bank Notes of £. 5. and upwards	21,118,540	20,256,960	21,166,790	20,041,510
Ditto, under £. 5. - - -	419,980	399,510	384,250	371,820
1828 - - -	21,538,520	20,656,470	21,551,040	20,413,330
Bank Notes of £. 5. and upwards	19,971,690	19,222,300	19,425,030	18,575,980
Ditto, under £. 5. - - -	358,860	344,750	335,010	326,170
1829 - - -	20,330,550	19,567,050	19,760,040	18,902,150
Bank Notes of £. 5. and upwards	19,663,950	20,694,890	21,041,660	19,301,630
Ditto, under £. 5. - - -	321,330	317,010	313,720	310,220
1830 - - -	19,985,280	21,011,900	21,355,380	19,611,850
Bank Notes of £. 5. and upwards	19,268,840	18,339,130	18,446,600	15,980,990
Ditto, under £. 5. - - -	307,270	304,850	302,760	301,070
1831 - - -	19,576,110	18,643,980	18,749,360	16,282,060
Bank Notes of £. 5. and upwards	17,900,950	17,579,920		
Ditto, under £. 5. - - -	299,280	297,110		
1832 - - -	18,200,230	17,877,030		

Note.—THE Books not having been preserved which contained the particulars for ascertaining the distinct Amounts of Bank Notes in Circulation of £. 5. and upwards and those under £. 5., from March 1797 (when the latter were first issued) to 17th April 1805, the Bank is unable to furnish the separate Average Amounts previous to June 1805.

Bank of England, }
10 August 1832. }

Will^m Smee,
Chief Acc^t

Appendix, No. 83.

AN ACCOUNT of the Amount of BANK NOTES in CIRCULATION (distinguishing those under £. 5.), at the close of the Business on Saturday in every Week, in the Years 1792 to 1797, both inclusive; and from 1819 inclusive, to the 4th of August 1832.

	BANK NOTES.	BANK POST BILLS.	TOTAL.		BANK NOTES.	BANK POST BILLS.	TOTAL.
1792:	£.	£.	£.	1793:	£.	£.	£.
January - 7	9,645,660	713,070	10,358,730	March - 2	11,777,630	655,870	12,433,500
14	10,094,010	724,700	10,818,710	9	11,440,370	685,800	12,126,170
21	10,291,800	725,740	11,017,540	16	11,445,950	729,530	12,175,480
28	10,345,060	720,710	11,065,770	23	11,746,850	828,200	12,575,050
February - 4	10,617,410	718,530	11,335,940	30	12,136,670	948,700	13,085,370
11	10,699,380	729,540	11,428,920	April - 6	11,759,170	982,220	12,741,390
18	10,796,910	742,150	11,539,060	13	12,051,350	1,016,680	13,068,030
25	10,392,800	755,700	11,148,500	20	11,919,610	1,011,370	12,930,980
March - 3	11,104,910	766,850	11,871,760	27	11,806,960	1,010,070	12,817,030
10	10,939,570	767,830	11,707,400	May - 4	11,892,900	952,020	12,844,920
17	10,683,700	759,150	11,442,850	11	11,463,120	968,310	12,431,430
24	10,803,720	792,570	11,596,290	18	11,851,430	934,070	12,785,500
31	10,700,320	845,760	11,546,080	25	11,468,260	898,580	12,366,840
April - 7	10,775,430	873,720	11,649,150	June - 1	10,887,110	862,430	11,749,540
14	11,077,240	855,090	11,932,330	8	10,647,160	831,360	11,478,520
21	11,536,820	851,110	12,387,930	15	10,436,170	805,010	11,241,180
28	11,594,170	821,360	12,415,530	22	10,389,260	788,090	11,177,350
May - 5	11,617,500	798,080	12,415,580	28	10,936,650	777,120	11,713,770
12	11,229,710	838,800	12,068,510	July - 6	10,510,370	756,080	11,266,450
19	11,063,190	832,990	11,896,180	13	11,037,510	744,290	11,781,800
26	10,781,520	804,040	11,585,560	20	11,154,980	731,230	11,886,210
June - 2	10,632,110	774,730	11,406,840	27	10,719,520	721,120	11,440,640
9	10,567,190	760,400	11,327,590	August - 3	10,687,980	709,550	11,397,530
16	10,410,070	751,870	11,161,940	10	10,414,220	690,840	11,105,060
23	10,387,400	738,930	11,126,330	17	10,074,980	682,200	10,757,180
30	10,765,090	729,800	11,494,890	23	10,162,680	675,960	10,838,640
July - 7	10,807,050	732,830	11,539,880	31	10,272,710	680,780	10,953,490
14	11,183,330	720,000	11,903,330	September 7	10,019,690	681,770	10,701,460
21	11,203,610	723,060	11,926,670	14	9,616,760	689,850	10,306,610
28	11,095,800	726,730	11,822,530	20	9,793,430	685,980	10,479,410
August - 4	11,000,650	736,470	11,737,120	28	9,693,320	693,670	10,386,990
11	10,828,900	737,280	11,566,180	October - 5	9,966,160	702,550	10,668,710
18	10,610,260	739,870	11,350,130	12	9,923,610	714,570	10,638,180
25	10,279,770	725,890	11,005,660	19	10,433,370	722,460	11,155,830
September - 1	10,595,560	710,680	11,306,240	24	10,480,300	718,070	11,198,370
8	10,256,440	719,370	10,975,810	31	10,691,350	706,260	11,397,610
15	10,062,010	725,640	10,787,650	November 8	10,747,000	687,690	11,434,690
20	10,260,690	739,150	10,999,840	16	10,643,710	675,700	11,319,410
28	10,095,580	756,500	10,852,080	23	10,480,370	648,930	11,129,300
October - 6	10,190,730	766,610	10,966,340	29	10,456,940	641,030	11,097,970
13	10,231,870	767,820	10,999,690	December 7	10,290,490	642,810	10,933,300
20	10,738,060	751,270	11,489,330	14	10,440,340	639,350	11,079,690
27	10,743,110	748,520	11,491,630	20	10,270,030	641,450	10,911,480
November - 3	10,722,980	751,050	11,474,030	30	10,267,860	631,690	10,899,550
10	10,699,680	717,290	11,416,970	1794:			
17	10,411,540	706,190	11,117,730	January - 4	10,164,210	628,950	10,793,160
24	10,197,940	696,680	10,894,620	11	10,741,960	631,660	11,373,620
December - 1	10,289,000	692,970	10,981,970	18	11,082,460	640,980	11,723,440
8	10,502,910	697,940	11,200,850	24	11,250,180	646,510	11,896,690
15	10,393,040	690,700	11,083,740	February - 1	11,576,150	636,720	12,212,870
22	10,524,960	705,850	11,230,810	8	11,927,950	640,980	12,568,930
29	10,591,090	698,160	11,289,250	15	12,504,060	639,410	13,143,470
1793:				22	10,714,950	623,780	11,338,730
January - 5	10,480,030	694,310	11,174,340	March - 1	10,455,480	616,530	11,072,010
12	10,881,520	691,330	11,572,850	8	9,929,010	630,680	10,559,690
19	11,323,540	683,220	12,006,760	15	9,868,650	632,710	10,501,360
26	11,315,740	682,800	11,998,540	22	9,762,670	652,610	10,415,280
February - 1	11,444,520	672,680	12,117,200	29	9,833,870	718,000	10,551,870
9	11,120,470	662,780	11,783,250	April - 5	9,961,380	743,290	10,704,670
16	10,885,520	657,540	11,543,060	12	10,379,210	747,640	11,126,850
23	10,880,120	650,190	11,530,310	19	10,482,740	749,140	11,231,880
				26	10,550,820	742,430	11,293,250

Appendix, No. 83.—ACCOUNT of the Amount of Bank Notes in Circulation, &c.—*continued.*

		BANK NOTES.	BANK POST BILLS.	TOTAL.			BANK NOTES.	BANK POST BILLS.	TOTAL.
		£.	£.	£.			£.	£.	£.
1794:					1795:				
May -	3	10,405,710	726,240	11,131,950	August -	1	10,683,330	520,600	11,203,930
	10	10,091,070	690,310	10,781,380		8	10,887,290	512,450	11,399,740
	17	9,944,020	665,860	10,609,880		15	10,783,590	507,250	11,290,840
	24	9,568,810	664,780	10,233,590		22	10,741,180	516,310	11,257,490
	31	9,360,630	652,520	10,013,150		29	10,659,690	516,590	11,176,280
June -	7	9,311,530	637,010	9,948,540	September	5	10,640,910	513,910	11,154,820
	14	9,051,290	637,570	9,688,860		12	10,604,940	523,620	11,128,560
	21	9,336,290	628,000	9,964,290		19	10,352,270	540,870	10,893,140
	28	9,795,080	622,930	10,418,010		26	10,219,000	556,130	10,775,130
July -	5	9,710,690	616,460	10,327,150	October -	3	10,477,670	569,020	11,046,690
	12	9,929,320	587,570	10,516,890		10	10,233,670	592,120	10,825,790
	19	10,085,880	588,851	10,674,730		17	10,671,760	624,280	11,296,040
	26	10,386,590	594,590	10,981,180		24	10,426,530	633,390	11,059,920
August -	2	10,205,630	594,630	10,800,260		31	10,451,700	630,420	11,082,120
	9	9,960,610	577,210	10,537,820	November	7	10,865,740	595,610	11,461,350
	16	10,001,030	568,970	10,570,000		14	10,790,250	577,580	11,367,830
	23	9,962,770	567,830	10,530,600		21	10,603,130	572,830	11,175,960
	30	9,712,810	576,890	10,289,700		28	10,936,270	566,830	11,503,100
September	6	9,387,000	577,870	9,964,870	December	5	11,174,340	563,090	11,737,430
	13	9,477,040	571,600	10,048,640		12	12,818,970	558,800	13,377,770
	20	9,422,820	598,850	10,021,670		19	12,756,030	568,490	13,324,520
	27	9,606,740	627,520	10,234,260		24	10,919,610	576,560	11,496,270
October -	4	9,581,100	620,690	10,201,790	1796:				
	11	9,646,050	633,630	10,279,680	January -	2	10,095,380	577,270	10,672,650
	17	10,183,540	639,200	10,822,740		9	10,037,870	581,460	10,619,330
	24	10,698,900	649,200	11,348,100		16	11,054,500	599,040	11,653,540
	31	10,700,730	646,700	11,347,430		23	10,201,450	611,110	10,812,560
November	8	10,856,980	623,360	11,480,340		29	10,136,550	610,100	10,746,650
	15	10,914,530	624,740	11,539,270	February -	6	10,592,260	622,720	11,214,980
	22	10,651,240	604,180	11,255,420		13	10,654,850	647,810	11,302,660
	29	10,474,860	603,800	11,078,660		20	10,184,530	654,910	10,839,440
December -	6	10,212,870	603,770	10,816,640		27	9,999,710	648,010	10,647,720
	13	10,347,920	599,390	10,947,310	March -	5	10,386,540	654,190	11,040,730
	20	10,073,930	606,640	10,680,570		12	10,136,920	659,720	10,796,640
	24	10,380,180	601,150	10,981,330		18	9,213,290	678,680	9,891,970
	31	10,135,420	595,090	10,730,510		26	9,576,220	710,960	10,287,180
1795:					April -	2	9,722,920	747,700	10,470,620
January -	3	10,296,740	594,480	10,891,220		9	10,480,820	773,780	11,254,600
	10	10,829,940	597,470	11,427,410		16	10,783,330	780,050	11,563,380
	17	11,399,340	595,930	11,995,270		23	10,750,480	773,680	11,524,160
	24	11,496,960	593,100	12,090,060		30	10,896,430	765,330	11,661,760
	31	12,123,980	591,830	12,715,810	May -	7	10,820,720	735,510	11,556,230
February -	7	12,281,860	588,620	12,870,480		14	10,705,650	717,740	11,423,390
	14	12,434,740	587,080	13,021,820		21	9,246,170	694,930	9,941,100
	21	12,464,050	578,090	13,042,140		28	9,626,070	677,530	10,303,600
	28	13,452,290	565,560	14,017,850	June -	3	9,675,800	655,730	10,331,530
March -	7	13,578,440	576,840	14,155,280		10	9,537,920	635,590	10,173,510
	14	14,296,360	580,220	14,876,580		17	9,275,980	618,740	9,894,720
	21	9,331,290	596,850	9,928,140		25	9,277,760	604,430	9,882,190
	28	9,821,360	622,990	10,444,350	July -	2	9,041,250	594,040	9,635,290
April -	4	10,041,710	638,210	10,679,920		9	9,664,930	593,060	10,257,990
	11	11,037,230	635,850	11,673,080		16	10,107,250	606,210	10,713,460
	18	11,000,240	640,790	11,641,030		23	9,078,980	599,600	9,678,580
	24	11,402,350	637,760	12,040,110		30	9,200,000	588,480	9,788,480
May -	2	10,677,810	636,530	11,314,340	August -	6	9,506,330	572,480	10,078,810
	9	10,532,850	612,150	11,145,000		13	9,564,860	557,290	10,122,150
	16	10,369,360	597,030	10,966,390		20	9,077,190	555,770	9,632,960
	23	9,819,330	581,140	10,400,470		27	8,881,230	546,280	9,427,510
	30	9,754,950	561,650	10,316,600	September	3	8,956,810	545,420	9,502,230
June -	6	9,690,820	547,870	10,238,690		10	8,276,820	541,350	8,818,170
	13	9,601,690	547,010	10,148,700		17	8,455,110	533,570	8,988,680
	20	9,778,540	540,500	10,319,040		24	8,878,350	530,700	9,409,050
	27	10,129,900	532,020	10,661,920	October -	1	9,001,960	588,380	9,590,340
July -	4	9,453,270	518,890	9,972,160		8	8,826,690	560,880	9,387,570
	11	9,990,370	510,010	10,500,380		15	9,335,650	558,490	9,894,140
	18	10,648,710	514,480	11,163,190		22	9,332,030	548,150	9,880,180
	24	10,905,770	514,580	11,420,350		29	9,214,780	529,730	9,744,510

Appendix, No. 83.—ACCOUNT of the Amount of Bank Notes in Circulation, &c.—continued.

		BANK NOTES.	BANK POST BILLS.	TOTAL.		Bank Notes of £. 5 and upwards.	Bank Post Bills.	Bank Notes under £. 5.	TOTAL.	
		£.	£.	£.		£.	£.	£.	£.	
1796:					1819:					
November -	5	9,178,270	517,260	9,695,530	Jan. -	2	16,443,040	1,489,120	7,406,670	25,338,830
	12	9,165,310	490,360	9,655,670		9	19,319,180	1,528,550	7,506,960	28,354,690
	19	9,264,420	484,120	9,748,540		16	18,029,110	1,656,560	7,657,800	27,343,470
	26	9,440,880	474,090	9,914,970		23	17,503,240	1,758,670	7,628,480	26,890,390
December -	3	9,381,100	473,310	9,854,410		30	16,745,490	1,746,110	7,602,820	26,094,420
	10	9,015,330	470,060	9,485,390	Feb. -	6	16,925,710	1,686,810	7,545,190	26,157,710
	17	8,813,830	459,550	9,273,380		13	16,516,330	1,694,610	7,469,160	25,680,100
	24	8,744,360	457,270	9,201,630		20	16,241,290	1,669,000	7,395,670	25,305,960
	31	8,742,530	461,970	9,204,500		27	16,164,710	1,607,750	7,354,230	25,126,690
1797:					March	6	16,129,240	1,603,960	7,315,020	25,048,220
January -	7	8,730,860	454,660	9,185,520		13	15,775,629	1,601,380	7,288,880	24,665,880
	14	9,422,140	471,200	9,893,340		20	15,807,370	1,578,610	7,224,700	24,610,680
	21	10,068,130	482,700	10,550,830		27	15,904,470	1,595,930	7,210,360	24,710,760
	28	9,539,200	485,540	10,024,740	April -	3	15,945,150	1,593,400	7,277,830	20,816,380
February -	4	9,201,280	466,180	9,667,460		10	18,006,560	1,615,690	7,341,400	26,963,650
	11	8,953,780	477,770	9,431,550		17	18,186,430	1,598,530	7,348,230	27,133,190
	18	8,666,820	471,130	9,137,950		24	17,445,170	1,610,150	7,358,330	26,413,650
	25	8,165,640	474,610	8,640,250	May -	1	17,292,010	1,578,220	7,307,850	26,178,080
March -	4	9,909,490	507,020	10,416,510		8	17,094,020	1,558,960	7,331,880	25,984,860
	11	9,879,350	509,290	10,388,640		15	16,977,560	1,534,070	7,289,850	25,801,480
	18	9,486,430	512,780	9,999,210		22	16,503,090	1,486,380	7,211,570	25,201,040
	24	9,986,030	520,290	10,506,320		29	16,507,810	1,441,310	7,183,640	25,132,760
April -	1	10,389,590	556,430	10,946,020	June -	5	16,429,430	1,407,650	7,113,960	24,951,040
	8	10,973,900	586,010	11,559,910		12	15,622,640	1,341,680	7,036,080	24,000,400
	15	12,023,890	594,620	12,618,510		19	15,429,920	1,308,600	7,068,850	23,807,370
	22	11,531,880	595,890	12,127,770		26	15,335,870	1,295,900	7,079,970	23,711,740
	29	12,478,540	577,260	13,055,800	July -	3	14,868,360	1,283,740	7,128,670	23,280,770
May -	6	13,067,880	531,180	13,599,060		10	18,581,480	1,388,090	7,314,140	27,283,710
	13	11,685,530	532,170	12,217,700		17	18,974,580	1,465,980	7,478,110	27,918,670
	20	11,434,100	535,150	11,969,250		24	17,395,660	1,553,100	7,463,420	26,412,180
	27	10,316,270	576,600	10,892,870		31	17,520,760	1,552,180	7,445,760	26,518,700
June -	3	10,677,360	563,550	11,240,910	Aug. -	7	17,477,040	1,515,250	7,405,020	26,397,310
	10	10,678,970	557,800	11,236,770		14	17,230,770	1,483,610	7,352,110	26,066,490
	17	10,439,160	543,480	10,982,640		21	16,558,280	1,465,850	7,322,220	25,346,350
	23	9,761,550	529,250	10,290,800		28	16,581,910	1,469,900	7,283,620	25,335,430
July -	1	10,253,700	524,400	10,778,100	Sept. -	4	15,942,610	1,483,670	7,258,170	24,684,450
	8	10,267,270	514,690	10,781,960		11	15,399,830	1,520,250	7,208,780	24,128,860
	15	10,865,510	516,160	11,381,670		18	15,552,970	1,465,150	7,172,030	24,190,150
	22	10,732,720	529,770	11,262,490		25	15,178,800	1,456,670	7,093,050	23,728,520
	29	10,706,470	533,630	11,240,100	Oct. -	2	15,771,260	1,464,510	7,112,580	24,348,350
August -	5	10,591,540	519,790	11,111,330		9	15,249,320	1,441,110	7,127,000	23,817,430
	11	10,950,690	515,870	11,466,560		16	17,233,570	1,499,750	7,255,220	25,988,540
	19	10,433,000	522,220	10,955,220		23	16,782,470	1,518,910	7,263,570	25,564,950
	26	10,043,630	524,580	10,568,210		30	16,373,930	1,542,380	7,179,370	25,095,680
September -	1	10,913,630	525,550	11,439,180	Nov. -	6	15,986,630	1,474,450	7,086,390	24,547,470
	9	10,496,970	534,800	11,031,770		13	15,688,630	1,436,670	6,970,570	24,095,870
	16	10,174,890	541,340	10,716,230		20	15,295,690	1,390,390	6,890,500	23,576,580
	23	10,112,180	543,670	10,655,850		27	15,413,300	1,334,700	6,832,460	23,580,460
	30	10,098,940	555,390	10,654,330	Dec. -	4	14,496,670	1,324,110	6,765,840	22,586,620
October -	7	9,931,600	578,240	10,509,840		11	14,412,330	1,331,080	6,703,130	22,446,540
	14	11,187,120	593,490	11,780,610		18	14,427,910	1,333,500	6,627,390	22,388,800
	21	11,507,350	609,610	12,116,960		25	14,839,650	1,290,320	6,673,350	22,803,320
	27	11,854,390	597,030	12,451,420	1820:					
November -	3	11,403,200	580,130	11,983,330	Jan. -	1	15,202,980	1,263,010	6,711,930	23,177,920
	11	11,110,780	566,770	11,677,550		8	17,538,680	1,299,720	6,745,090	25,583,490
	18	10,788,920	524,960	11,313,880		15	18,191,840	1,443,780	6,875,980	26,511,600
	25	10,713,020	502,310	11,215,330		22	17,349,000	1,488,160	6,876,220	25,713,380
December -	2	10,202,470	486,190	10,688,660		29	17,089,710	1,521,760	6,891,450	25,502,920
	9	10,660,380	467,130	11,127,510	Feb. -	5	16,329,940	1,496,190	6,854,260	24,680,390
	16	10,311,350	448,580	10,759,930		12	16,098,970	1,493,420	6,799,900	24,392,290
	23	10,812,140	448,110	11,260,250		19	15,492,090	1,452,010	6,756,140	23,700,240
	30	10,688,560	450,520	11,139,080		26	15,402,830	1,421,160	6,745,160	23,569,150

Appendix, No. 83.—ACCOUNT of the Amount of Bank Notes in Circulation, &c.—*continued.*

	Bank Notes of £.5 and upwards.	Bank Post Bills.	Bank Notes under £.5.	TOTAL.		Bank Notes of £.5 and upwards.	Bank Post Bills.	Bank Notes under £.5.	TOTAL.
1820:	£.	£.	£.	£.	1821:	£.	£.	£.	£.
March - 4	14,912,990	1,380,190	6,718,300	23,011,480	May - 5	15,986,160	1,667,840	6,692,050	24,346,050
11	14,691,960	1,364,800	6,662,960	22,719,720	12	16,181,380	1,631,710	6,240,310	24,053,400
18	14,423,810	1,398,950	6,606,560	22,429,320	19	16,119,740	1,577,020	5,673,650	23,370,410
25	14,710,860	1,425,870	6,611,500	22,748,230	26	16,025,630	1,552,510	5,100,110	22,678,250
April - 1	14,669,090	1,459,310	6,677,000	22,805,400	June - 2	15,366,120	1,535,130	4,610,750	21,512,000
8	16,500,770	1,460,880	6,721,870	24,683,520	9	15,388,920	1,482,020	4,228,180	21,099,120
15	16,701,520	1,497,870	6,791,020	24,990,410	16	15,226,650	1,494,690	3,945,870	20,667,210
22	16,836,020	1,517,350	6,829,580	25,182,950	23	15,166,690	1,470,520	3,693,190	20,330,400
29	16,383,890	1,567,380	6,780,970	24,732,240	30	15,638,270	1,427,650	3,471,160	20,537,080
May - 6	16,043,930	1,532,590	6,741,210	24,317,730	July - 7	14,582,720	1,435,360	3,286,620	19,304,700
13	15,863,450	1,499,800	6,669,670	24,032,920	14	18,620,140	1,585,310	3,156,220	23,361,670
20	15,744,520	1,468,630	6,627,820	23,840,970	21	18,247,560	1,655,900	3,045,330	22,948,790
27	15,571,010	1,455,100	6,633,700	23,659,810	28	17,492,780	1,711,240	2,934,770	22,138,790
June - 3	14,587,830	1,488,840	6,578,520	22,655,190	Aug. - 4	17,220,620	1,712,860	2,837,010	21,770,490
10	14,467,150	1,524,660	6,519,350	22,511,160	11	17,047,170	1,661,940	2,744,520	21,453,630
17	14,347,740	1,604,800	6,514,860	22,467,400	18	16,729,100	1,632,400	2,667,010	21,028,510
24	14,927,710	1,566,310	6,532,400	23,026,420	25	16,095,020	1,634,260	2,598,460	20,327,740
July - 1	15,337,230	1,480,050	6,600,630	23,417,910	Sept. - 1	16,009,810	1,623,460	2,538,930	20,172,200
8	18,080,520	1,519,790	6,679,830	26,280,140	8	15,572,010	1,673,300	2,476,960	19,722,270
15	17,931,740	1,639,850	6,813,290	26,384,880	15	15,383,730	1,653,790	2,412,360	19,449,880
22	17,002,290	1,684,660	6,901,160	25,588,110	22	14,919,900	1,622,580	2,346,960	18,889,440
29	16,797,290	1,741,690	6,923,760	25,462,740	29	15,251,690	1,627,090	2,294,880	19,173,660
August 5	16,414,340	1,760,030	6,892,370	25,066,740	Oct. - 6	14,887,620	1,609,300	2,245,300	18,742,220
12	16,187,490	1,661,620	6,874,540	24,723,650	13	16,026,520	1,623,740	2,194,800	19,845,060
19	15,804,600	1,648,090	6,829,640	24,282,330	20	15,997,000	1,656,240	2,149,200	19,802,440
26	16,047,390	1,633,730	6,772,260	24,453,380	27	15,687,970	1,664,640	2,099,710	19,452,320
Sept. - 2	16,085,850	1,614,830	6,736,430	24,437,110	Nov. - 3	15,585,830	1,625,650	2,048,400	19,259,880
9	15,136,870	1,582,250	6,692,260	23,411,380	10	15,384,550	1,627,430	1,994,250	19,006,230
16	14,845,140	1,580,320	6,673,150	23,098,610	17	15,538,550	1,530,500	1,938,970	19,008,020
23	14,766,650	1,576,830	6,608,030	22,951,510	24	14,776,080	1,517,900	1,881,260	18,175,240
30	14,727,840	1,615,680	6,600,930	22,944,450	Dec. - 1	14,203,200	1,588,530	1,844,180	17,635,910
Oct. - 7	14,446,370	1,579,630	6,710,120	22,736,120	8	14,104,290	1,570,920	1,810,850	17,486,060
14	16,178,920	1,595,920	6,772,580	24,547,420	15	14,179,100	1,519,290	1,776,100	17,474,490
21	15,593,960	1,656,350	6,763,450	24,013,760	22	14,150,750	1,478,580	1,746,320	17,375,650
28	15,809,470	1,691,800	6,722,730	24,224,000	29	14,284,180	1,445,200	1,714,250	17,443,630
Nov. - 4	15,858,330	1,650,730	6,739,160	24,248,220	1822:				
11	15,347,100	1,573,530	6,656,880	23,577,510	Jan. - 5	13,819,840	1,447,530	1,682,760	16,950,130
18	15,175,010	1,550,650	6,577,270	23,302,930	12	17,556,160	1,561,450	1,646,640	20,764,250
25	15,246,660	1,498,270	6,477,660	23,222,590	19	16,971,240	1,628,040	1,612,160	20,211,440
Dec. - 2	14,852,070	1,490,910	6,428,200	22,771,180	26	16,455,120	1,646,870	1,571,540	19,673,530
9	14,252,70	1,485,190	6,364,350	22,102,210	Feb. - 2	16,050,440	1,637,280	1,524,110	19,211,830
16	14,517,520	1,504,010	6,334,760	22,356,290	9	15,881,060	1,666,470	1,486,680	19,034,210
23	14,727,690	1,493,820	6,425,640	22,647,150	16	15,573,770	1,666,510	1,438,950	18,679,230
30	14,974,020	1,461,900	6,429,150	22,865,070	23	15,313,080	1,633,560	1,401,350	18,347,990
1821:					March 2	15,426,370	1,596,670	1,363,990	18,387,030
Jan. - 6	13,665,130	1,468,120	6,438,450	21,571,700	9	14,881,250	1,597,060	1,325,350	17,803,660
13	17,529,900	1,614,400	6,578,580	25,722,880	16	14,813,170	1,595,060	1,301,360	17,709,590
20	17,594,970	1,687,700	6,621,670	25,904,340	23	14,603,050	1,596,860	1,267,220	17,467,130
27	16,854,280	1,731,140	6,636,990	25,222,410	30	14,606,530	1,549,690	1,232,250	17,388,470
Feb. - 3	16,569,580	1,724,110	6,620,590	24,914,280	April - 6	14,422,400	1,524,200	1,202,690	17,149,290
10	16,235,100	1,712,560	6,575,510	24,523,170	13	16,274,180	1,582,220	1,168,980	19,025,380
17	16,007,730	1,702,170	6,521,670	24,231,570	20	15,833,170	1,603,290	1,146,650	18,583,110
24	15,915,000	1,623,090	6,511,320	24,049,410	27	15,394,090	1,584,220	1,127,670	18,105,980
March - 3	15,575,030	1,622,660	6,504,470	23,702,160	May - 4	15,082,450	1,614,150	1,101,680	17,798,280
10	15,517,550	1,608,570	6,449,950	23,576,070	11	14,825,420	1,560,260	1,075,460	17,461,140
17	15,324,880	1,588,720	6,415,970	23,329,570	18	14,417,120	1,515,510	1,052,290	16,984,920
24	15,448,260	1,583,260	6,415,580	23,447,100	25	14,512,570	1,490,530	1,033,870	17,036,970
31	15,812,230	1,549,230	6,485,770	23,847,230	June - 1	14,036,210	1,452,120	1,016,950	16,505,280
April - 7	15,544,270	1,602,570	6,524,420	23,671,260	8	14,329,970	1,454,380	1,001,120	16,785,470
14	17,360,520	1,643,760	6,645,050	25,649,330	15	13,817,120	1,505,770	981,930	16,304,820
21	16,771,550	1,656,330	6,673,130	25,101,010	22	13,935,480	1,504,890	964,550	16,404,920
28	16,168,340	1,683,400	6,680,500	24,532,240	29	14,590,180	1,467,920	947,410	17,005,510

COMMITTEE ON BANK OF ENGLAND CHARTER.

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Appendix, No. 83.—ACCOUNT of the Amount of Bank Notes in Circulation, &c.—continued.

	Bank Notes of £.5 and upwards.	Bank Post Bills.	Bank Notes under £.5.	TOTAL.		Bank Notes of £.5 and upwards.	Bank Post Bills.	Bank Notes under £.5.	TOTAL.
1822:	£.	£.	£.	£.	1823:	£.	£.	£.	£.
July - 6	14,422,430	1,476,500	935,850	16,834,780	Sept. - 6	16,551,840	1,786,850	545,510	18,884,200
13	18,400,140	1,571,580	925,180	20,896,900	13	16,058,860	1,808,400	542,320	18,409,580
20	18,008,940	1,654,510	915,660	20,579,110	20	15,499,270	1,781,610	539,520	17,820,400
27	17,127,570	1,713,910	906,900	19,748,380	27	15,539,910	1,747,510	536,850	17,824,270
Aug. - 3	16,626,070	1,765,220	896,490	19,287,780	Oct. - 4	15,536,640	1,808,650	533,960	17,879,250
10	16,265,580	1,683,890	883,970	18,833,440	11	15,129,580	1,880,210	531,680	17,541,470
17	15,985,210	1,643,710	874,640	18,503,560	18	17,436,030	1,954,150	529,210	19,919,390
24	16,013,250	1,621,330	864,270	18,498,850	25	16,832,380	2,026,990	526,800	19,386,170
31	15,004,570	1,604,880	855,330	17,464,780	Nov. - 1	19,260,800	1,993,970	524,880	21,779,650
Sept. - 7	14,686,220	1,618,880	844,030	17,149,130	8	18,164,700	1,994,270	520,010	20,678,980
14	15,018,710	1,685,840	836,390	17,540,940	15	17,921,630	1,913,800	517,700	20,353,130
21	14,276,190	1,690,790	829,590	16,796,570	22	17,378,050	1,926,490	515,650	19,820,190
28	14,337,880	1,643,630	817,170	16,798,680	29	16,968,830	1,919,440	512,520	19,400,790
Oct. - 5	14,722,090	1,699,160	810,580	17,231,830	Dec. - 6	16,271,330	1,882,400	510,470	18,664,200
12	14,152,050	1,739,870	801,930	16,693,850	13	15,649,240	1,873,890	508,260	18,031,390
19	15,884,860	1,707,460	794,770	18,387,090	20	15,206,900	1,863,680	505,380	17,575,960
26	15,496,500	1,707,160	787,380	17,991,040	27	15,216,690	1,830,990	503,840	17,551,520
Nov. - 2	15,227,220	1,749,390	776,450	17,753,060	1824:				
9	14,962,790	1,724,260	769,920	17,456,970	Jan. - 3	14,902,960	1,825,490	502,340	17,230,790
16	14,935,560	1,684,990	762,300	17,382,850	10	18,159,780	1,917,660	500,500	20,577,940
23	14,822,030	1,643,560	753,050	17,218,640	17	18,158,380	2,038,850	498,220	20,695,450
30	15,133,870	1,577,690	745,670	17,457,230	24	17,581,020	2,141,130	495,870	20,218,020
Dec. - 7	14,050,800	1,580,110	739,680	16,370,590	31	17,624,670	2,161,810	494,330	20,280,810
14	13,792,210	1,561,420	734,890	16,088,520	Feb. - 7	17,587,850	2,228,890	492,430	20,309,170
21	14,365,550	1,546,690	729,790	16,642,030	14	17,580,530	2,286,330	490,300	20,357,160
28	14,231,690	1,529,330	722,660	16,483,680	21	17,084,960	2,294,340	487,550	19,866,850
1823:					28	17,081,360	2,169,490	486,120	19,736,970
Jan. - 4	14,136,100	1,526,260	717,150	16,379,510	Mar. - 6	16,672,180	2,144,630	484,210	19,301,020
11	17,813,280	1,630,650	713,540	20,157,470	13	16,358,920	2,095,520	482,700	18,937,140
18	17,570,510	1,690,260	708,790	19,969,560	20	16,399,600	2,099,360	480,630	18,979,590
25	17,430,460	1,744,160	704,690	19,879,310	27	16,531,000	2,146,970	478,950	19,156,920
Feb. - 1	16,209,460	1,743,730	699,400	18,652,590	Apr. - 3	16,686,580	2,152,980	474,420	19,313,980
8	15,974,660	1,735,430	694,250	18,404,340	10	18,544,360	2,220,640	472,340	21,237,340
15	15,343,870	1,768,860	689,880	17,802,610	17	18,625,770	2,296,340	470,720	21,392,830
22	15,381,950	1,772,070	685,450	17,839,470	24	17,867,210	2,309,330	469,050	20,645,590
Mar. - 1	15,672,400	1,753,230	680,720	18,106,350	May - 1	17,787,360	2,259,190	467,570	20,514,120
8	14,813,600	1,736,110	674,860	17,224,570	8	17,623,500	2,200,210	465,960	20,289,670
15	14,731,330	1,721,030	669,410	17,121,770	15	17,298,410	2,199,030	464,460	19,961,900
22	14,630,520	1,773,320	666,170	17,070,010	22	17,108,900	2,147,770	462,670	19,719,340
29	14,777,930	1,737,010	660,000	17,174,940	29	16,571,260	2,117,710	460,400	19,149,370
April - 5	14,477,930	1,713,700	654,200	16,845,830	June - 5	16,859,780	2,078,550	458,520	19,396,850
12	16,883,460	1,750,230	648,330	19,282,020	12	16,424,100	2,056,450	456,840	18,937,390
19	16,784,160	1,771,460	642,640	19,198,260	19	16,620,860	1,995,090	455,500	19,071,450
26	16,558,950	1,747,330	637,270	18,943,550	26	16,725,290	1,978,870	454,340	19,158,500
May - 3	16,615,280	1,748,260	630,500	18,994,040	July - 3	16,395,510	1,956,340	453,130	18,804,980
10	16,234,690	1,727,240	623,400	18,585,330	10	19,746,380	2,022,320	452,040	22,220,740
17	16,112,780	1,735,370	616,380	18,464,530	17	20,387,580	2,165,520	451,130	23,004,230
24	15,663,510	1,699,110	609,210	17,971,830	24	19,637,050	2,189,030	450,130	22,276,210
31	15,146,740	1,673,900	605,060	17,425,700	31	19,400,590	2,149,080	448,950	21,998,620
June - 7	15,332,470	1,672,900	597,600	17,602,970	Aug. - 7	18,712,940	2,151,970	447,200	21,312,110
14	14,827,900	1,639,520	591,830	17,059,250	14	18,345,480	2,168,980	446,070	20,960,530
21	14,500,470	1,616,050	587,210	16,703,730	21	17,946,620	2,143,930	448,980	20,535,530
28	14,659,470	1,592,080	584,110	16,835,660	28	17,729,570	2,120,030	443,720	20,293,320
July - 5	14,811,820	1,583,530	580,530	16,975,880	Sept. - 4	17,175,280	2,120,020	442,520	19,737,820
12	18,519,450	1,690,660	575,630	20,785,740	11	16,666,130	2,100,800	441,580	19,208,510
19	18,337,260	1,771,610	572,080	20,680,950	18	16,519,750	2,089,180	440,550	19,049,480
26	17,944,340	1,845,510	569,500	20,359,350	25	16,189,130	2,086,470	439,690	18,715,290
Aug. - 2	17,819,270	1,836,140	566,490	20,221,900	Oct. - 2	16,490,310	2,136,310	438,690	19,065,310
9	17,584,890	1,820,620	560,490	19,966,000	9	16,570,150	2,127,380	437,810	19,135,340
16	17,385,120	1,778,550	553,090	19,716,760	16	18,755,210	2,269,740	436,840	21,461,790
23	17,256,790	1,774,820	550,720	19,582,330	23	18,343,480	2,293,350	435,540	21,072,370
30	16,883,960	1,798,790	548,480	19,231,230	30	18,297,660	2,310,010	434,350	21,042,020

Appendix, No. 83.—ACCOUNT of the Amount of Bank Notes in Circulation, &c.—*continued.*

	Bank Notes of £. 5 and upwards.	Bank Post Bills.	Bank Notes under £. 5.	TOTAL.		Bank Notes of £. 5 and upwards.	Bank Post Bills.	Bank Notes under £. 5.	TOTAL.
1824:	£.	£.	£.	£.	1826:	£.	£.	£.	£.
Nov. - 6	18,724,600	2,256,400	432,880	21,413,880	Jan. - 7	20,675,250	2,182,250	1,262,900	24,120,400
13	18,725,240	2,254,410	431,760	21,411,410	14	22,596,430	2,249,530	1,258,930	26,104,890
20	18,156,720	2,230,250	430,400	20,817,370	21	21,561,730	2,214,190	1,237,860	25,013,780
27	18,219,870	2,201,110	429,260	20,850,240	28	20,800,790	2,227,650	1,227,470	24,255,910
Dec. - 4	17,773,100	2,150,560	428,420	20,352,080	Feb. - 4	20,237,410	2,238,300	1,198,010	23,673,720
11	16,937,130	2,135,960	427,340	19,500,430	11	19,892,170	2,345,820	1,212,150	23,450,140
18	16,412,650	2,076,200	426,300	18,915,150	18	20,759,630	2,427,730	1,279,140	24,466,500
25	16,976,070	2,045,750	425,560	19,447,380	25	21,100,400	2,487,080	1,367,560	24,955,040
1825:					Mar. - 4	21,158,160	2,491,410	1,465,600	25,115,170
Jan. - 1	18,310,050	2,022,140	424,750	20,756,940	11	20,351,230	2,509,000	1,515,210	24,375,440
8	19,322,150	2,044,790	423,520	21,790,460	18	20,213,710	2,401,810	1,548,740	24,164,260
15	19,709,520	2,205,130	422,670	22,337,320	25	20,023,260	2,483,410	1,554,210	24,060,880
22	19,671,780	2,235,040	421,790	22,328,610	April - 1	20,160,280	2,419,240	1,581,630	24,161,150
29	19,194,920	2,344,420	420,970	21,960,310	8	20,929,160	2,458,870	1,559,750	24,947,780
Feb. - 5	19,144,770	2,367,680	419,480	21,931,930	15	21,514,860	2,475,660	1,571,520	25,562,040
12	18,502,220	2,387,050	418,600	21,307,870	22	21,595,490	2,436,090	1,537,790	25,569,370
19	18,467,910	2,349,010	417,740	21,234,660	29	20,569,880	2,349,780	1,563,300	24,482,960
26	18,308,990	2,334,260	416,880	21,060,130	May - 6	19,773,550	2,333,790	1,546,640	23,653,980
Mar. - 5	17,579,330	2,347,000	416,080	20,342,410	13	19,195,800	2,275,280	1,505,130	22,976,210
12	17,143,170	2,317,750	414,920	19,875,840	20	18,632,530	2,188,730	1,472,540	22,293,800
19	16,850,820	2,295,270	414,330	19,560,420	27	18,318,420	2,132,690	1,458,370	21,909,480
26	16,878,990	2,318,670	413,680	19,611,340	June - 3	17,878,400	2,050,140	1,426,850	21,355,390
April - 2	17,587,520	2,328,520	412,930	20,328,970	10	17,472,410	1,997,610	1,408,370	20,878,390
9	17,970,300	2,305,180	412,020	20,687,500	17	17,504,770	1,962,310	1,385,600	20,852,680
16	18,305,700	2,343,210	411,180	21,060,090	24	17,738,610	1,955,130	1,351,830	21,045,570
23	17,941,490	2,365,340	410,200	20,717,030	July - 1	17,475,830	1,929,500	1,381,670	20,787,000
30	17,853,970	2,273,200	409,450	20,536,620	8	19,366,980	1,905,030	1,358,800	22,630,810
May - 7	17,759,270	2,332,570	408,400	20,500,240	15	20,214,470	2,015,470	1,334,560	23,564,500
14	17,335,110	2,303,370	407,590	20,046,070	22	19,506,550	2,054,140	1,310,930	22,871,620
21	17,086,570	2,230,090	406,810	19,723,470	29	19,484,150	2,079,830	1,288,220	22,852,200
28	17,147,240	2,099,620	406,140	19,653,000	Aug. - 5	19,329,730	2,070,300	1,253,410	22,653,440
June - 4	16,828,480	2,064,490	405,210	19,298,180	12	18,700,270	2,059,820	1,233,180	21,993,270
11	16,232,590	2,002,800	404,490	18,639,880	19	18,393,320	2,067,430	1,200,190	21,660,940
18	15,945,540	1,978,490	403,690	18,327,720	26	18,172,160	2,040,400	1,175,450	21,388,010
25	16,025,110	1,944,200	403,040	18,372,350	Sept. - 2	18,218,670	2,049,060	1,153,550	21,421,280
July - 2	16,685,820	1,950,220	402,290	19,038,330	9	17,921,590	2,081,060	1,129,760	21,132,410
9	19,300,990	2,012,200	401,640	21,714,830	16	17,441,180	2,119,290	1,092,640	20,653,110
16	19,237,720	2,125,240	400,440	21,763,400	23	17,069,440	2,125,270	1,069,630	20,264,340
23	18,586,000	2,212,930	399,870	21,198,800	30	17,244,470	2,113,670	1,050,040	20,408,180
30	18,196,610	2,198,780	399,330	20,794,720	Oct. - 7	16,455,560	2,103,140	1,025,780	19,584,480
Aug. - 6	17,592,070	2,166,430	398,680	20,157,180	14	17,542,290	2,106,020	1,005,990	20,654,300
13	17,241,990	2,098,550	398,220	19,738,760	21	17,934,220	2,127,960	987,860	21,050,040
20	17,148,200	2,043,670	397,160	19,589,030	28	17,761,610	2,145,710	968,610	20,875,930
27	16,814,630	2,079,350	396,580	19,290,560	Nov. - 4	17,744,830	2,149,890	940,100	20,834,820
Sept. - 3	16,575,080	2,056,950	396,030	19,028,060	11	17,533,100	2,077,890	916,480	20,527,470
10	16,073,710	2,048,010	395,470	18,517,190	18	17,487,450	2,036,690	892,090	20,416,230
17	15,828,030	2,029,220	394,900	18,252,150	25	17,038,060	2,007,730	861,050	19,906,840
24	15,577,200	2,038,240	394,330	18,009,770	Dec. - 2	16,514,290	1,945,730	841,290	19,301,310
Oct. - 1	16,065,660	2,077,170	393,720	18,536,550	9	16,309,220	1,899,930	822,450	19,031,600
8	15,695,380	2,085,220	392,830	18,173,430	16	16,410,350	1,833,280	805,430	19,049,060
15	17,216,150	2,078,100	392,320	19,686,570	23	16,502,670	1,789,270	792,950	19,084,890
22	16,572,330	2,063,540	391,570	19,027,440	30	16,492,480	1,773,510	783,730	19,049,720
29	16,292,480	2,009,370	390,370	18,692,220	1827:				
Nov. - 5	16,143,130	1,965,890	388,380	18,497,400	Jan. - 6	15,683,880	1,857,350	762,240	18,303,470
12	15,722,460	1,921,940	387,460	18,031,860	13	18,875,120	1,992,220	750,490	21,617,830
19	15,349,490	1,858,070	386,720	17,594,280	20	19,767,550	2,001,180	738,200	22,506,930
26	15,282,750	1,796,030	386,100	17,464,880	27	19,462,480	2,043,550	723,690	22,229,720
Dec. - 3	15,287,920	1,804,200	385,170	17,477,290	Feb. - 3	19,265,670	2,087,500	712,710	22,065,880
10	15,851,600	1,802,060	384,300	18,037,960	10	19,069,100	2,115,460	697,210	21,881,770
17	21,361,480	2,197,720	383,610	23,942,810	17	18,924,960	2,106,560	680,540	21,712,060
24	22,211,270	2,251,960	1,148,570	25,611,800	24	18,860,830	2,056,810	670,430	21,588,070
31	22,247,800	2,224,960	1,236,650	25,709,410					

Appendix, No. 83.—ACCOUNT of the Amount of Bank Notes in Circulation, &c.—continued.

	Bank Notes of £. 5. and upwards.	Bank Post Bills.	Bank Notes under £. 5.	TOTAL.		Bank Notes of £. 5. and upwards.	Bank Post Bills.	Bank Notes under £. 5.	TOTAL.
1827:	£.	£.	£.	£.	1828:	£.	£.	£.	£.
March 3	18,534,630	2,047,270	657,350	21,239,250	May - 3	18,662,170	2,447,960	402,080	21,511,310
10	18,378,180	2,084,990	650,630	21,113,800	10	18,492,970	2,421,930	400,710	21,315,610
17	18,084,330	2,082,120	640,940	20,807,390	17	18,448,570	2,370,790	399,240	21,218,600
24	18,022,130	2,089,310	625,050	20,736,490	24	18,093,310	2,348,080	397,990	20,839,380
31	17,993,400	2,699,930	617,330	20,710,660	31	17,875,790	2,266,030	396,570	20,538,390
April - 7	17,909,670	2,111,870	607,960	20,629,500	June - 7	17,033,190	2,254,610	395,040	19,682,840
14	20,110,820	2,207,430	601,080	22,919,330	14	17,228,530	2,192,820	394,000	19,815,350
21	20,258,800	2,177,420	590,870	23,027,090	21	16,877,090	2,172,950	393,110	19,443,150
28	20,147,460	2,158,590	582,240	22,888,290	28	16,762,580	2,169,720	391,540	19,323,840
May - 5	19,909,030	2,171,720	572,810	22,653,560	July - 5	16,832,930	2,176,750	390,520	19,400,200
12	19,644,410	2,190,710	565,430	22,400,550	12	19,656,290	2,320,000	389,460	22,365,750
19	19,298,880	2,133,350	556,690	21,988,920	19	20,188,440	2,372,600	388,410	22,949,450
26	19,219,170	2,089,530	548,290	21,856,990	26	19,795,110	2,433,480	387,350	22,615,940
June - 2	18,749,390	2,080,890	541,950	21,372,230	Aug. - 2	19,558,330	2,457,280	386,310	22,401,920
9	18,002,820	2,028,530	531,110	20,562,460	9	19,500,510	2,432,320	385,100	22,317,939
16	17,975,240	2,002,640	525,160	20,503,040	16	19,211,770	2,392,750	384,140	21,988,660
23	17,516,610	1,965,000	519,990	20,001,600	23	18,698,900	2,396,120	383,150	21,478,170
30	17,724,320	1,921,200	515,960	20,161,480	30	18,543,960	2,431,200	382,330	21,357,490
July - 7	17,594,360	1,977,890	511,130	20,083,380	Sept. - 6	18,178,620	2,461,060	381,490	21,021,170
14	20,923,640	2,144,420	507,120	23,575,180	13	18,068,020	2,507,030	379,980	20,955,030
21	21,115,810	2,228,070	502,030	23,845,910	20	17,844,000	2,518,320	378,980	20,741,300
28	21,089,020	2,246,180	498,700	23,833,900	27	17,725,820	2,466,720	378,130	20,570,670
August 4	20,945,660	2,334,870	494,340	23,774,870	Oct. - 4	17,514,750	2,442,740	377,310	20,334,800
11	20,657,620	2,346,610	490,110	23,494,340	11	17,430,130	2,457,120	376,390	20,263,640
18	20,016,633	2,293,020	487,180	22,796,830	18	19,238,180	2,513,210	375,550	22,126,940
25	19,253,890	2,270,110	483,060	22,007,060	25	18,668,220	2,566,200	374,610	21,609,030
Sept. - 1	19,597,510	2,271,040	479,660	22,348,210	Nov. - 1	18,440,230	2,577,170	373,630	21,391,030
8	19,129,190	2,323,430	477,010	21,929,630	8	18,007,610	2,548,830	372,660	20,929,100
15	18,515,950	2,305,720	473,580	21,295,250	15	17,567,990	2,469,920	371,850	20,409,760
22	18,305,080	2,307,230	470,140	21,082,450	22	17,326,640	2,315,150	370,790	20,012,580
29	18,434,930	2,289,900	467,020	21,191,850	29	17,409,720	2,334,590	369,900	20,114,210
Oct. - 6	17,999,920	2,273,480	464,400	20,737,800	Dec. - 6	17,037,660	2,364,690	368,930	19,771,280
13	18,877,610	2,329,940	461,870	21,669,420	13	16,960,370	2,352,880	368,110	19,681,360
20	19,144,210	2,386,330	459,700	21,990,240	20	16,767,010	2,314,590	367,370	19,448,970
27	19,187,460	2,402,890	457,730	22,048,080	27	16,613,360	2,300,710	366,590	19,280,660
Nov. - 3	18,950,840	2,349,230	454,010	21,754,080	1829:				
10	18,674,840	2,326,820	450,470	21,452,130	Jan. - 3	16,460,810	2,354,600	365,510	19,180,920
17	18,742,080	2,243,890	447,410	21,433,380	10	18,390,040	2,407,350	364,710	21,162,100
24	18,250,630	2,210,330	444,110	20,905,070	17	18,765,660	2,466,300	363,540	21,595,500
Dec. - 1	17,945,130	2,186,460	441,680	20,573,270	24	18,961,510	2,484,780	361,640	21,807,930
8	17,024,180	2,166,030	439,670	19,629,880	31	18,663,510	2,466,820	360,530	21,490,860
15	16,761,710	2,112,100	437,540	19,311,350	Feb. - 7	18,386,560	2,541,750	359,620	21,287,930
22	16,687,530	2,102,140	435,590	19,225,260	14	17,848,800	2,545,020	358,630	20,752,450
29	16,649,200	2,097,910	434,100	19,181,210	21	17,177,420	2,485,500	357,860	20,020,780
1828:					28	17,040,320	2,473,700	356,820	19,870,840
Jan. - 5	16,558,480	2,101,620	430,940	19,091,040	Mar. - 7	16,740,450	2,445,690	355,600	19,541,740
12	19,477,410	2,178,520	429,030	22,084,960	14	16,629,180	2,401,170	354,710	19,385,060
19	19,880,200	2,247,200	427,360	22,554,760	21	16,304,720	2,400,390	353,600	19,058,710
26	20,155,280	2,350,720	425,590	22,931,590	28	16,350,230	2,439,760	352,460	19,142,450
Feb. - 2	20,100,460	2,375,830	423,860	22,900,150	Apr. - 4	16,279,030	2,414,190	351,620	19,044,840
9	19,897,770	2,378,060	421,500	22,697,330	11	17,486,600	2,471,910	350,640	20,309,150
16	19,606,190	2,341,270	419,670	22,367,130	18	17,895,000	2,505,390	349,670	20,750,060
23	19,316,660	2,311,970	418,040	22,046,670	25	17,895,880	2,502,790	348,600	20,747,270
Mar. - 1	18,943,080	2,334,460	415,850	21,693,390	May - 2	17,751,390	2,419,210	347,570	20,518,170
8	17,908,100	2,334,390	414,360	20,656,850	9	17,913,300	2,334,010	345,900	20,593,210
15	17,735,780	2,323,140	412,490	20,471,410	16	17,514,320	2,288,080	343,730	20,146,130
22	17,515,700	2,311,530	411,140	20,238,370	23	17,119,180	2,214,560	343,080	19,676,820
29	17,502,140	2,355,120	410,010	20,267,270	30	16,692,580	2,129,480	341,450	19,163,510
Apr. - 5	17,189,090	2,379,920	408,110	19,977,120	June - 6	16,226,380	2,074,310	340,830	18,641,520
12	18,578,500	2,452,640	406,670	21,437,810	13	15,904,790	1,994,760	340,320	18,239,870
19	18,854,800	2,484,080	405,270	21,744,150	20	15,867,780	1,987,860	339,600	18,195,240
26	18,819,230	2,464,110	403,420	21,686,760	27	16,033,840	1,973,320	338,860	18,346,020

Appendix, No. 83.—ACCOUNT of the Amount of Bank Notes in Circulation, &c.—*continued.*

	Bank Notes of £ 5 and upwards.	Bank Post Bills.	Bank Notes under £. 5.	TOTAL.		Bank Notes of £ 5 and upwards.	Bank Post Bills.	Bank Notes under £. 5.	TOTAL.
1829:		£.	£.	£.	1830:	£.	£.	£.	£.
July - 4	15,845,940	2,019,480	338,270	18,203,690	Sept. 4	18,274,040	2,177,680	313,180	20,764,900
11	18,217,600	2,133,580	337,640	20,688,820	11	17,567,270	2,179,060	312,410	20,058,740
18	18,484,290	2,187,210	337,020	21,008,520	18	17,623,730	2,140,590	312,270	20,076,590
25	18,655,920	2,174,010	336,500	21,166,430	25	17,267,130	2,138,560	312,100	19,717,790
Aug. - 1	18,484,280	2,143,490	335,930	20,963,700	Oct. - 2	17,711,810	2,119,220	311,940	20,142,970
8	17,785,370	2,120,080	335,420	20,240,870	9	17,051,070	2,083,770	311,740	19,446,580
15	17,412,760	2,045,070	334,930	19,792,760	16	18,320,380	2,119,870	311,550	20,751,800
22	17,072,440	2,049,020	334,400	19,455,860	23	18,305,720	2,104,520	311,280	20,721,520
29	17,121,410	2,068,050	333,950	19,523,410	30	18,113,960	2,109,790	311,070	20,534,820
Sept. - 5	16,875,060	2,110,080	333,470	19,318,610	Nov. - 6	17,869,980	2,085,450	310,920	20,266,350
12	16,611,310	2,091,570	333,000	19,035,880	13	17,816,120	2,050,170	309,750	20,176,040
19	16,357,240	2,045,420	332,510	18,735,170	20	17,512,790	2,010,900	309,530	19,833,220
26	16,355,460	2,059,250	332,110	18,746,820	27	17,090,980	1,899,730	309,360	19,300,070
Oct. - 3	16,345,520	2,018,220	328,910	18,692,650	Dec. - 4	16,921,910	1,791,180	309,170	19,022,260
10	16,121,410	2,004,420	328,450	18,454,280	11	16,336,710	1,752,810	309,010	18,398,530
17	17,392,380	2,054,060	327,880	19,774,320	18	16,103,430	1,709,840	308,890	18,122,160
24	17,499,990	2,074,010	327,300	19,901,300	25	16,231,980	1,697,190	308,740	18,237,910
31	17,345,030	2,059,370	326,910	19,731,310					
Nov. - 7	17,228,710	2,042,400	326,490	19,597,600	1831:				
14	17,218,530	1,991,770	326,030	19,536,330	Jan. - 1	16,326,790	1,696,010	308,590	18,331,390
21	16,848,400	1,988,690	325,600	19,162,690	8	17,346,490	1,742,480	308,410	19,397,380
28	16,357,940	2,015,490	325,260	18,698,690	15	18,296,700	1,831,510	308,040	20,436,250
Dec. - 5	16,017,880	2,047,310	324,890	18,390,080	22	18,177,740	1,859,950	307,860	20,345,550
12	15,643,480	1,999,500	324,480	17,967,460	29	18,161,440	1,872,780	307,580	20,341,800
19	15,734,950	1,969,930	324,170	18,029,050	Feb. - 5	18,207,870	1,884,070	307,440	20,399,380
26	15,554,990	1,913,470	323,910	17,792,370	12	17,919,910	1,842,050	307,290	20,069,250
1830:					19	17,649,450	1,801,940	307,050	19,758,440
Jan. - 2	15,636,730	1,892,770	323,550	17,853,050	26	17,566,140	1,777,790	306,900	19,650,830
9	17,242,990	1,983,330	323,230	19,549,550	Mar. - 5	17,295,280	1,755,590	306,700	19,357,570
16	17,871,310	2,249,740	322,870	20,443,920	12	16,799,610	1,760,620	306,400	18,866,630
23	17,838,020	2,370,850	322,530	20,531,400	19	16,643,010	1,689,440	306,270	18,638,720
30	17,858,630	2,355,130	321,960	20,535,720	26	16,890,310	1,700,010	306,090	18,896,410
Feb. - 6	18,037,430	2,408,880	321,620	20,767,930	Apr. - 2	17,046,720	1,679,910	305,890	19,032,520
13	17,839,430	2,427,070	321,260	20,587,760	9	17,701,300	1,708,790	305,750	19,715,840
20	17,812,140	2,326,170	320,940	20,459,250	16	17,811,110	1,729,660	305,560	19,846,330
27	17,436,800	2,293,440	320,490	20,050,730	23	17,463,760	1,698,930	305,390	19,468,080
Mar. - 6	17,272,560	2,302,510	320,180	19,895,250	30	17,258,660	1,704,850	305,220	19,268,730
13	17,192,450	2,253,360	319,890	19,765,700	May - 7	16,806,780	1,698,340	305,040	18,810,160
20	17,068,160	2,314,080	319,580	19,701,820	14	16,707,320	1,651,560	304,880	18,663,760
27	17,035,470	2,311,900	319,310	19,666,680	21	16,537,470	1,591,500	304,650	18,433,620
Apr. - 3	17,566,660	2,223,660	319,030	20,109,350	28	16,421,880	1,497,690	304,510	18,224,080
10	18,615,670	2,350,020	318,320	21,284,010	June - 4	16,158,870	1,506,290	304,320	17,969,480
17	18,913,420	2,470,420	318,000	21,701,840	11	15,956,250	1,512,730	304,150	17,773,130
24	19,270,030	2,485,460	317,810	22,073,300	18	15,633,950	1,511,660	303,970	17,449,580
May - 1	19,274,840	2,488,150	317,480	22,080,470	25	15,900,320	1,512,430	303,820	17,716,570
8	19,233,320	2,513,990	317,240	22,064,550	July - 2	15,821,620	1,500,990	303,610	17,626,220
15	18,881,870	2,423,670	316,950	21,622,490	9	17,524,820	1,575,590	303,470	19,403,880
22	18,496,630	2,398,520	316,700	21,211,850	16	17,635,660	1,682,750	303,360	19,621,770
29	18,416,310	2,345,830	316,500	21,078,640	23	17,784,280	1,725,450	303,180	19,812,910
June - 5	17,715,270	2,236,700	316,270	20,268,240	30	17,622,980	1,706,120	302,990	19,632,090
12	17,335,530	2,175,820	315,920	19,827,270	Aug. - 6	17,484,790	1,739,920	302,830	19,527,540
19	17,384,010	2,154,620	315,620	19,854,250	13	17,188,210	1,646,210	302,700	19,137,120
26	17,549,970	2,113,180	315,400	19,978,550	20	16,679,180	1,645,780	302,560	18,627,520
July - 3	17,457,820	2,113,600	315,190	19,886,610	27	16,567,180	1,595,660	302,470	18,465,310
10	19,479,630	2,221,440	314,970	22,016,040	Sept. - 3	16,493,630	1,600,590	302,340	18,396,560
17	19,934,770	2,301,680	314,710	22,551,160	10	16,212,330	1,592,420	302,260	18,107,040
24	19,950,580	2,347,010	314,500	22,612,090	17	15,844,420	1,575,990	302,130	17,722,540
31	19,903,160	2,331,840	314,240	22,549,240	24	15,791,720	1,567,490	302,000	17,661,210
Aug. - 7	20,002,260	2,289,400	314,040	22,605,700	Oct. - 1	16,033,550	1,588,020	301,860	17,923,430
14	19,303,210	2,225,960	313,770	21,842,940	8	15,816,470	1,561,080	301,730	17,679,380
21	19,319,940	2,222,330	313,610	21,855,880	15	16,725,150	1,643,860	301,640	18,670,650
28	18,573,810	2,195,130	313,370	21,082,310	22	16,735,570	1,634,550	301,520	18,671,640
					29	16,758,040	1,661,750	301,400	18,721,190

Appendix, No. 83.—ACCOUNT of the Amount of Bank of England Notes in Circulation, &c.—continued.

	Bank Notes of £. 5 and upwards.	Bank Post Bills.	Bank Notes under £. 5.	TOTAL.		Bank Notes of £. 5 and upwards.	Bank Post Bills.	Bank Notes under £. 5.	TOTAL.
1831:		£.	£.	£.	1832:	£.	£.	£.	£.
Nov. - 5	16,612,150	1,601,120	301,270	18,514,540	April - 7	15,815,170	1,541,750	298,250	17,655,170
12	16,238,310	1,622,300	301,140	18,161,750	14	16,956,440	1,650,920	298,090	18,905,450
19	16,002,560	1,570,240	301,020	17,873,820	21	17,040,230	1,626,920	297,980	18,965,130
26	15,529,850	1,565,890	300,910	17,396,650	28	16,924,530	1,653,430	297,470	18,875,430
Dec. - 3	15,232,810	1,549,040	300,750	17,082,600	May - 5	16,976,050	1,715,020	297,360	18,988,430
10	15,035,350	1,565,840	300,640	16,901,830	12	16,621,420	1,715,960	297,230	18,634,610
17	14,896,870	1,507,180	300,540	16,704,590	19	15,963,570	1,602,960	297,130	17,863,660
24	14,978,940	1,477,550	300,350	16,756,840	26	15,886,760	1,593,930	297,010	17,777,700
31	15,127,780	1,462,060	300,240	16,890,080	June - 2	15,556,100	1,522,330	296,870	17,375,300
1832:					9	15,257,870	1,508,700	296,790	17,063,360
Jan. - 7	14,736,990	1,458,020	300,030	16,495,040	16	15,216,160	1,446,910	296,690	16,959,760
14	16,893,220	1,603,160	299,900	18,796,280	23	14,879,070	1,407,650	295,940	16,582,660
21	17,507,640	1,663,000	299,800	19,470,440	30	15,066,940	1,392,200	295,730	16,754,870
28	17,432,220	1,666,450	299,710	19,398,380	July - 7	15,026,820	1,409,190	295,550	16,731,560
Feb. - 4	17,180,430	1,676,950	299,610	19,156,990	14	16,773,360	1,583,750	295,470	18,652,580
11	16,829,150	1,667,920	299,500	18,796,570	21	16,969,640	1,611,910	295,380	18,876,930
18	16,494,430	1,657,990	299,390	18,451,810	28	16,925,800	1,625,190	295,280	18,846,270
25	16,201,890	1,641,990	299,190	18,143,070	Aug. - 4	16,873,760	1,584,890	295,170	18,753,820
Mar. - 3	15,952,789	1,646,510	299,020	17,898,310					
10	15,683,380	1,605,110	298,920	17,587,410					
17	15,544,670	1,571,270	298,650	17,414,590					
24	15,522,270	1,567,650	298,530	17,388,450					
31	15,763,620	1,543,710	298,390	17,605,720					

N. B.—THE Books not having been preserved, which contained the Particulars for ascertaining the distinct Amounts of Bank Notes in Circulation, of £. 5 and upwards, and those under £. 5, from March 1797, (when the latter were first issued,) to 17th April 1805, the Bank is unable to furnish the separate Amounts in Circulation, in the Year 1797.

Bank of England, }
10 August 1832. }

Will^m Smee,
Chief Acc^t.

Appendix, No. 84.

AN ACCOUNT of the AVERAGE AMOUNTS of GOLD and SILVER BULLION held by the BANK, in the Years ending 28 February 1829, 1830, 1831 and 1832; distinguishing GOLD from SILVER.

		£.
In the Year ending 28 February 1829	{ Gold	8,749,920
	{ Silver	1,013,210
	£.	9,763,130
In the Year ending 28 February 1830	{ Gold	5,736,186
	{ Silver	1,519,586
	£.	7,255,772
In the Year ending 28 February 1831	{ Gold	8,235,162
	{ Silver	2,095,199
	£.	10,330,361
In the Year ending 29 February 1832	{ Gold	5,853,334
	{ Silver	551,924
	£.	6,405,258

Appendix, No. 85.

AN ACCOUNT of the AVERAGE AMOUNTS of GOLD and SILVER BULLION held by the BANK, in the Years ending 28 February 1815, 1816, 1817, 1818, 1819, 1820, 1821, 1822, 1823, 1824, 1825, 1826, 1827 and 1828; distinguishing GOLD from SILVER.

	GOLD.	SILVER.	TOTAL.
	£.	£.	£.
In the Year ending 28 February 1815 -	1,938,265	240,882	2,179,147
28 February 1816 -	2,828,707	570,407	3,399,114
28 February 1817 -	6,643,100	861,184	7,504,284
28 February 1818 -	10,147,115	962,266	11,109,381
28 February 1819 -	6,066,603	655,044	6,721,647
28 February 1820 -	3,663,561	305,967	3,969,528
28 February 1821 -	6,291,446	1,882,973	8,174,419
28 February 1822 -	9,162,298	2,468,792	11,631,090
28 February 1823 -	8,135,629	2,119,069	10,254,698
28 February 1824 -	10,805,780	1,801,183	12,606,963
28 February 1825 -	10,213,247	1,645,348	11,858,595
28 February 1826 -	3,719,824	601,878	4,321,702
28 February 1827 -	5,880,811	727,165	6,607,976
28 February 1828 -	9,505,630	695,623	10,201,253

Bank of England, }
29 May 1832. }

Will^m Smee,
Chief Acct.

Appendix, No. 86.

AN ACCOUNT of the Periods of PURCHASE and SALE of GOLD by the BANK in 1824,
and up to February 1825.

PURCHASES.					SALES.				
1824:	Oz.	dwt.	grs.	£. s. d.	1824:	Oz.	dwt.	grs.	£. s. d.
January - {at £.3. 17. 6. } per ounce	30,216	7	3	118,487 13 11	January -	-	-	nil	nil.
February -	16,931	-	13	65,607 13 -	February -	-	-	nil	nil.
March -	24,874	18	14	96,390 5 6	March -	-	-	nil	nil.
April -	22,293	8	1	86,735 10 8	April -	-	-	nil	nil.
May -	114,468	10	4	443,565 8 9	May -	-	-	nil	nil.
June -	18,858	4	16	73,075 11 11	June -	-	-	nil	nil.
July -	66,287	10	23	256,864 1 7	July -	-	-	nil	nil.
August -	26,079	2	15	101,569 9 10	August -	-	-	nil	nil.
September -	nil	-	-	nil.	September -	-	-	nil	nil.
October -	10,448	12	4	40,488 6 5	October -	-	-	nil	nil.
November -	2,094	15	19	8,443 9 4	Nov. - {at £.3. 17. 10 1/2 } per ounce	38,221	15	12	148,826 - 8
December -	nil	-	-	nil.	December -	85,976	8	6	334,770 13 1
1825:					1825:				
January -	nil	-	-	nil.	January -	36,616	13	22	142,576 5 3

Will^m Sme^e, Chief Acc^t.

Appendix, No. 87.

BAR GOLD Bought in the Years 1792 and 1793.

1792:	£.	1793:	£.
January - 5, 6, 9, 10, 13, 14, 17, 25, 27, } 31 st - - - - - }	14,185	January - 4, 16, 22, 23, 28, 29 th - -	5,775
February - 1, 6, 7, 9, 10, 11, 13, 14, 15, } 16, 17, 18, 27, 28 th - - }	17,227	February - 1, 2, 5, 6, 7, 9, 11, 15, 21, 22, } 27 th - - - - - }	15,406
March - 2, 3, 8, 10, 13, 14, 17, 19, 21, } 26, 28, 30 th - - - }	16,793	March - 9, 14, 15, 16, 18, 29 th - -	9,018
April - 6, 16, 17, 19, 27 th - - -	3,560	April - 8, 16, 17, 18, 22, 24, 25, 27, 29, } 30 th - - - - - }	65,957
May - 3, 8, 9, 11, 12, 22, 25, 26 th -	2,799	May - 1, 3, 4, 6, 7, 8, 9, 11, 13, 14, } 15, 16, 17, 20, 23, 24, 25, 27, } 28, 29, 31 st - - - }	321,786
June - 25 th - - - - -	286	June - 1, 3, 4, 6, 7, 10, 11, 13, 14, 15, } 17, 18, 19, 20, 21, 22, 24, 26, } 28 th - - - - - }	401,382
July - - - - -	-	July - 1, 2, 3, 4, 5, 6, 9, 10, 11, 12, } 13, 15, 16, 17, 18, 19, 20, } 22, 23, 24, 25, 27, 29, 30, 31 st }	663,105
August - 4 th - - - - -	1,150	August - 1, 2, 3, 5, 6, 7, 8, 9, 10, 12, 14, } 15, 16, 17, 19, 20, 21, 22, } 23, 24, 27, 28, 29, 30 th - }	250,555
September - 1, 4, 27 th - - - - -	2,761	September - 3, 4, 5, 6, 7, 9, 11, 12, 13, 16, } 17, 18, 19, 20, 21, 25, 26, 27, } 28, 30 th - - - - - }	180,372
October - 15, 18, 29, 31 st - - - -	1,039	October - 2, 3, 4, 5, 7, 10, 11, 14, 15, 16, } 17, 18, 21, 22, 23, 24, 31 st - }	213,074
November - 9, 12, 15, 20, 23, 24, 28 th -	4,341	November - 1, 4, 7, 8, 9, 13, 14, 15, 16, 18, } 19, 20, 21, 22, 23, 25, 26, } 27, 28, 29 th - - - }	152,922
December - 11, 14, 17, 20, 21, 24, 31 st -	16,069	December - 3, 4, 5, 9, 10, 11, 12, 13, 16, } 17, 18, 19, 20, 21, 24, 26, 31 st }	143,813
	£. 80,210		£. 2,423,165

N. B.—Gold Coin issued in 1792 - - - £. 3,051,000

Bar Gold bought by the Bank in the year 1793,
all at £.3. 17. 6. per oz.

T. Rippon, Chief Cashier.

Appendix, No. 88.

AN ACCOUNT of the BULLION, including COINED and UNCOINED GOLD and SILVER, on 26 February, 26 May, 26 August, and 26 November in each Year, from 1815.

YEARS.	26 February.	26 May.	26 August.	26 November.
	£.	£.	£.	£.
1816	4,599,500	5,816,300	7,403,500	9,626,100
1817	9,852,400	10,770,900	11,719,300	11,449,100
1818	10,481,500	8,348,000	6,729,500	5,078,900
1819	4,346,300	3,825,900	3,685,300	4,079,000
1820	4,907,200	5,969,400	7,979,200	10,046,200
1821	11,714,300	11,988,100	11,149,400	11,577,000
1822	10,994,100	9,909,300	10,078,300	10,221,100
1823	10,331,500	11,857,100	12,557,700	13,761,700
1824	13,782,700	13,007,700	11,990,700	11,448,000
1825	8,857,700	6,456,300	3,683,700	3,012,200
1826	2,309,300	4,383,600	6,645,300	8,998,400
1827	10,100,900	10,514,000	10,391,600	10,429,500
1828	10,332,700	10,202,800	10,515,100	8,941,900
1829	6,821,000	6,244,900	6,728,400	8,238,800
1830	9,142,000	11,418,700	11,109,800	9,329,800
1831	8,190,500	7,635,600	6,396,300	5,155,600
1832	5,287,700	4,919,000	—	—

Will^m Smee, Chief Acct.

Appendix, No. 89.

AN ACCOUNT of the PRICES of GOLD and SILVER BULLION at the following Periods, as far as they can be obtained; also a Statement of the Variations in the Rate of Discount, and the Dates of the Change.

DATE.	GOLD BULLION.	SILVER BULLION.	RATE OF DISCOUNT.
	£. s. d.	£. s. d.	
1694: Aug. 8	- nil -	- nil -	6 per cent on Foreign Bills.
" 30	- nil -	- nil -	4½ - " - ditto.
Oct. 24	- nil -	- nil -	6 - " - Inland Bills.
1695: Jan. 16	- - -	- - -	6 - " - Foreign Bills, three months to run.
"	- - -	- - -	4½ - " - Inland Bills } To those who keep cash
"	- - -	- - -	3 - " - Foreign Bills } at the Bank.
May 19	- - -	- - -	3 - " - Running Notes and Bills - ditto.
June 6	3 5 -	- - -	
July 4	3 14 3½	- - -	
1697: Nov. 13	- - -	- 5 2½	
1698: May 4	- - -	- 5 2	
1704: Feb. 28	- nil -	- nil -	4 - " - Foreign Bills made payable at the Bank.
"	- - -	- - -	5 - " - ditto - not made payable at the Bank.
1710: Mar. 20	4 - 3	- nil -	
June 22	- - -	- - -	5 - " - Foreign Bills.
1716: July 26	3 19 11	- nil -	4 - " - Foreign and Inland Bills.
1719: April 30	3 18 -	- nil -	5 - " - Bills and Notes.
1720: Oct. 21	3 19 4½	- 5 2	
" 27	- - -	- - -	5 - " - Bills.
1722: Aug. 23	- - -	- - -	4 - " - ditto.
" 24	3 17 10	- 5 4	
1742: Oct. 18	- - -	- - -	5 - " - Bills drawn within the kingdom.
"	- - -	- - -	4 - " - ditto - without - ditto.
" 19	3 18 8	- 5 6½	
1745: Dec. 12	- - -	- - -	5 - " - Foreign Bills.
" 23	- - -	- 5 -	
" 31	3 17 10½	- - -	
1746: May 1	- - -	- - -	4 - " - Foreign Bills
" 6	- - -	- - -	5 - " - Inland Bills and Notes { Notes not having more than 15 days to run.
Aug. 30	3 17 10½	- 5 3	
1773: May 13	- - -	- - -	5 - " - Foreign Bills.
" 14	3 17 11	- 5 3¾	
1822: June 20	- - -	- - -	4 - " - All Bills and Notes, not having more than 95 days to run.
" 21	3 17 6	- 4 11	
1825: Dec. 13	- - -	- - -	5 - " - Ditto - ditto - ditto.
" 16	3 17 6	- 5 -¾	
1827: June 19	- - -	- 4 11¾	
July 5	- - -	- - -	4 - " - Ditto - ditto - ditto,
" 6	3 17 6	- - -	

Bank of England, }
9 June 1832. }

T. Rippon,
Chief Cashier.

Appendix, No. 90.

AN ACCOUNT of the CONTRACT PRICES of the different Articles of PROVISIONS supplied to the
ROYAL HOSPITAL, CHELSEA, from 1818.

YEARS.	The whole Ration contracted for at per Head p'diem, consisting of Bread, Cheese, Butter, Beef & Mutton, Salt and Oatmeal.	Potatoes, per Cwt. of 120 lbs.	BEER, per Barrel.	CANDLES, per dozen lbs.	COALS, per Chaldron.	REMARKS.
		s. d.	Table Beer, of the Quality fixed by the Chancellor of the Exchequer. s. d.	s. d.	s. d. s. d. s. d.	
1818	- 10 d.	- - -	- 10/6	- - -	{ 38/10-44/4-44/10 45/10 & 46/10	From the Year 1818 to 1824 inclusive, the Ration referred to in the second column for each person, consisted of
1819	- 1/0 1/8 d.	- - -	- 8/6	- - -	41/10-43/10-44/10	
1820	- 11 3/4 d.	- - -	- 8/9	- 7/11 p'dozen lbs.	38/10 & 43/4	
1821	- 10 3/4 d.	- - -	- 8/6	- 7/5	- 38/10	1 lb. of Bread daily. 18 oz. of Beef or Mutton per day, for 5 days in each week. 1/2 lb. of Cheese - ditto. 1/2 lb. of Cheese per day } on 2 banyan days and 2 oz. of Butter - } in each week. The Contractor also supplied with the Ration, 4 bushels of Oatmeal } per month for the 4 ditto of Salt - } soup.
1822	- 8 5/8 d.	- - -	- 8/6	- 6/8	- 38/10	
1823	- 6 5/8 d.	- - -	- 7/10	- 6/	- 39/2	
1824	- 8 3/4 d.	- - -	- 8/	- 5/8	- 28/2	From the Year 1825 to the present time the Ration has been as follows; viz. 1 lb. of Bread daily. 1/2 lb. of Cheese daily. 13 oz. of Meat do. 2 oz. of Butter p'week. The Contractor also supplied with the Ration, 4 bushels or 4 cwt. of Salt } p'month for 4 bushels or 4 cwt. of Oatmeal } the soup.
1825	- 8 1/4 d.	- - -	- 7/9	- 5/7	- 43/6	
1826	- 9 1/3 d.	- 6/5	- 7/3	- 5/9	- 41/11	
1827	- 9 d.	- 5/5	- 6/10	- 6/	- 44/	From the year 1825 the Pensioners were allowed each 1 lb. of Potatoes per diem, but they do not form part of the Ration contracted for, as specified in the second column, but have been furnished upon a separate Contract at the prices specified in the third column.
1828	- 8 1/2 d.	- 5/	- 7/	- 5/10	- 37/5	
1829	- 9 1/4 d.	- 4/4	- 7/	- 6/	- 33/9	
1830	- 7 3/4 d.	- 3/10	Porter. 39/ per barrel	- 5/7	- 36/	
1831	- 8 1/2 d.	- 4/2	90/ per butt	- 5/10	- 33/4	
1832	- 8 3/4 d.	- 3/10	85/ ditto	- 5/3	{ Not yet contracted for.	

In the Year 1826 the Commissioners made an experiment, with a view of ascertaining whether it would not be more advantageous to the Public to contract separately for each Article composing the Ration; but upon comparing the Prices contained in the Tenders for the separate Articles with those at which the whole Ration was offered, it was found that the latter was the least expensive mode, and was accordingly ordered to be continued.

Royal Hospital, Chelsea, }
19 June 1832.

Rich^d Neave,
Secretary and Registrar.

Appendix, No. 91.

AN ACCOUNT of the CONTRACT PRICES of the different ARTICLES of PROVISION supplied

	1818.	1819.	1820.	1821.	1822.	1823.	1824.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
FLOUR - - per sack	3 6 9½	2 17 2½	2 15 1	2 5 3½	1 17 9½	2 1 11½	2 7 6
MEAT - - per cwt.	2 17 1	3 4 3	3 10 4½	2 18 10	1 19 5½	2 2 7½	2 2 8½
PEASE - - per bush.	- 9 3½	- 7 8	- 7 5½	- 5 9	- 5 -½	- 5 6	- 5 11
OATMEAL - ditto -	- 13 5½	- 12 9	- 13 4½	- 8 8½	- 8 6	per Cwt. - 15 6	- 17 -
SALT - - ditto -	- 19 9	- 19 9	- 19 9	- 19 4½	- 18 -	- 4 10	- 4 9
BUTTER - per lb.	- - 11	- - 11	- - 9½	- - 8½	- - 7½	- - 7½	- - 8½
CHEESE - ditto -	- - 6	- - 8	- - 7	- - 6	- - 5	- - 4	- - 4½
MALT - per quarter	4 1 8½	3 12 11½	3 8 8½	3 1 11	2 12 8½	2 19 11	3 2 1
HOPS - - { per cwt. in pockets }	8 8 -	4 12 -	4 - -	3 12 -	3 10 -	9 19 -	7 5 -

Greenwich Hospital, }

18 June 1832. }

Appendix, No. 91.

to the ROYAL HOSPITAL, GREENWICH, from the Year 1818 to the Year 1831, both inclusive.

1825.	1826.	1827.	1828.	1829.	1830.	1831.	REMARKS.
£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	
2 12 4½	2 4 2½	2 3 6½	2 6 6	2 15 10½	2 14 11	3 - 5½	{-- Since May 1829 supplied from His Majesty's Victualling-office.
2 19 6½	2 17 8	2 15 4½	2 10 7½	2 6 3½	2 3 6	2 4 3½	
Split Pease.							{Average of two Contracts annually.
- 11 -	- 11 -	- 10 6	- 9 6	- 8 9	- 8 -	- 9 -	
- 17 6	- 19 -	1 5 -	- 18 6	- 18 6	- 16 11	- 17 6	- - ditto.
- 2 10	- 1 10½	- 1 8	- 1 10	- 1 8	- 1 8	- 1 8	- - ditto.
- - 10½	- - 9½	- - 8½	- - 8½	- - 8	- - 6½	- - 9½	- - ditto.
- - 5½	- - 6½	- - 5½	- - 5½	- - 5	- - 4	- - 4½	- - ditto.
3 11 10½	3 5 1	3 4 10	3 1 5	3 1 10½	2 16 1½	3 10 5½	{Average of four Contracts annually.
23 - -	15 5 -	4 10 -	no supply	{ 4 10 - 5 9 6 }	no supply	5 11 -	{Contract price in November or December.

By ORDER of the COMMISSIONERS.

W^m H. Hooper, Secretary.
Jno. A. Lethbridge, Steward.

Appendix, No. 92.

A RETURN of the PRICES of the following ARTICLES (viz. WHEAT, BEEF and MUTTON, 1819, 1820, 1821, 1822, 1823, 1824, 1825,

YEARS.	English WHEAT,		MEAT at Smithfield Market, to sink the Offal, per Stone of 8lb.				COALS,		I R O N,										
	per Quarter.						per Chaldron.				per Ton.								
			Beef.	Mutton.			Newcastle.		Bars.	Pigs.									
	s.	s.	s.	d.	s.	d.	s.	d.	s.	d.	£.	s.	£.	s.	£.	s.			
January 1819	64	to 82	4	- to 5	-		5	- to 6	4		38 6	to 47	-	12 10	to 13	-	8	- to 9	-
July - ditto	58	„ 80	4	6	„ 5	4	4	6	„ 5	2	32 6	„ 39	3	13	- „ 14	-	8	- „ 9	10
January 1820	54	„ 70	3	4	„ 4	8	3	4	„ 4	4	33	- „ 43	6	12 10	„ 13	-	8	- „ 9	10
July - ditto	58	„ 81	3	6	„ 4	6	4	2	„ 5	2	32 6	„ 39	-	10	- „ 11	-	6 10	„ 7	10
January 1821	40	„ 62	3	2	„ 4	2	3	- „ 4	-		36 3	„ 43	6	9 9	„ 10	10	6 10	„ 7	10
July - ditto	36	„ 63	2	8	„ 3	8	2	2	„ 3	4	30	- „ 41	6	10	- „ 10	10	6 10	„ 7	10
January 1822	30	„ 66	2	-	„ 3	-	2	2	„ 3	2	38 6	„ 41	9	8 15	„ 9	10	5	- „ 7	-
July - ditto	30	„ 56	2	-	„ 2	10	1	10	„ 2	6	30 6	„ 38	9	8 10	„ 8	15	5 10	„ 6	10
January 1823	30	„ 50	2	4	„ 3	2	2	4	„ 3	-	39	- „ 50	-	8 10	„ 9	-	6	- „ 6	10
July - ditto	46	„ 67	2	4	„ 3	2	2	8	„ 3	6	35	- „ 42	6	8 10	„ 9	-	6	- „ 6	10
January 1824	46	„ 75	3	-	„ 4	-	3	-	„ 3	10	37 6	„ 45	-	8 10	„ 9	-	6	- „ 7	-
July - ditto	46	„ 71	3	8	„ 4	4	3	8	„ 4	4	31 6	„ 42	6	9	- „ 9	10	6	- „ 7	-
January 1825	56	„ 80	4	2	„ 5	-	4	8	„ 5	8	29 6	„ 40	6	13	- „ 14	-	-	10 l. 10 s.	-
July - ditto	56	„ 76	4	4	„ 5	-	4	4	„ 5	-	34 9	„ 39	-	14 10	„ 15	-	-	11 l.	-
January 1826	54	„ 68	4	6	„ 5	-	4	5	„ 5	-	32 3	„ 40	-	10	- „ 12	-	8	- to 9	-
July - ditto	45	„ 64	3	6	„ 4	10	3	-	„ 4	4	24 6	„ 32	3		10 l.		-	8 l.	-
January 1827	46	„ 60	4	6	„ 4	8	3	-	„ 4	8	26	- „ 34	-	10	- to 11	-	7 10	to 8	10
July - ditto	50	„ 68	4	-	„ 5	4	4	9	„ 4	10	28 6	„ 36	-	9 10	„ 10	-	6	- „ 7	-
January 1828	40	„ 65	4	-	„ 4	8	3	-	„ 4	8	32 3	„ 36	-	9 5	„ 9	10	6	- „ 7	-
July - ditto	44	„ 65	3	4	„ 4	4	3	8	„ 4	4	27 6	„ 35	-		8 l. 7 s. 6 d.		4 15	„ 5	5
January 1829	56	„ 88	3	6	„ 4	8	4	-	„ 5	4	27	- „ 36	-		8 l. 10 s.		-	5 l.	-
July - ditto	52	„ 75	4	2	„ 4	6	4	2	„ 4	6	26 6	„ 30	-		7 l. 5 s.		4	- to 5	-
January 1830	40	„ 64	3	10	„ 4	4	4	-	„ 4	6	32	- „ 37	-	7	- to 7	5	5	- „ 5	15
July - ditto	54	„ 67	3	6	„ 4	-	4	-	„ 4	6	30	- „ 35	-	-	7 l.	-	5	- „ 5	15
January 1831	58	„ 76	3	8	„ 4	4	4	-	„ 4	6	33	- „ 37	9	6 15	to 7	-	-	5 l.	-
July - ditto	56	„ 72	3	8	„ 4	4	3	10	„ 4	6	24 6	„ 29	-	-	6 l. 5 s.	-	4 15	to 5	-
January 1832	45	„ 72	3	6	„ 4	4	4	-	„ 5	-	25	- „ 31	-	-	6 l. 5 s.	-	4 15	„ 5	-
June 12 ditto	48	„ 74	3	2	„ 4	2	3	-	„ 4	4	16	- „ 19	9	-	6 l. 5 s.	-	4 10	„ 4	15

Mem.—The Records of the BOARD OF TRADE do not furnish the

Office for Trade, }
18 June 1832. }

Appendix, No. 92.

at Smithfield Market, COALS, IRON, LEATHER, WOOL, CHEESE, BUTTER and LINEN), in the Years 1826, 1827, 1828, 1829, 1830, 1831 and 1832.

CHEESE, per Hundred Weight.		BUTTER.		LEATHER, per lb.			
Cheshire.	Gloucester.	Yorkshire, per Firkin.	First Quality, Cork, per Cwt.	Butts.		Backs.	
s. s.	s. s.	s. s.	s. s.	50 to 56	60 to 66		
s. d. s. d.	s. d. s. d.	s. d. s. d.	s. d. s. d.	s. d. s. d.	s. d. s. d.	s. d. s. d.	s. d. s. d.
78 to 100	74 to 94	- none -	116 to 120	1 9 to 2 -	2 1 to 2 2	- - none.	- - none.
78 „ 84	74 „ 86	- ditto -	100 „ 104	1 8 „ 1 10	1 11 „ 2 -	- - ditto.	- - ditto.
78 „ 90	58 „ 75	- ditto -	- 78 s. -	1 6 „ 1 8	1 9 „ 1 10	- - ditto.	- - ditto.
60 „ 66	50 „ 70	- ditto -	82 to 90	1 6 „ 1 7	1 9 „ 1 10	- - ditto.	- - ditto.
60 „ 66	56 „ 68	- ditto -	- 82 s. -	1 6 „ 1 8½	1 10 „ 1 11	- - ditto.	- - ditto.
76 „ 82	52 „ 74	- 52 s. -	- 80 s. -	1 6 „ 1 9	1 10 „ 2 -	- - ditto.	- - ditto.
76 „ 82	52 „ 74	- 52 s. -	90 to 94	1 6 „ 1 10	1 10 „ 2 -	- - ditto.	- - ditto.
52 „ 70	58 „ 64	- none -	72 „ 74	1 6 „ 1 8	1 10 „ 2 -	- - ditto.	- - ditto.
52 „ 70	59 „ 64	- ditto -	72 „ 74	1 8 „ 2 -	- 2 s. 1 d. -	- - ditto.	- - ditto.
52 „ 70	42 „ 52	- ditto -	- 72 s. -	1 10 „ 1 11	1 11 to 2 -	- - ditto.	- - ditto.
54 „ 70	50 „ 60	44 to 47	83 to 85	1 10 „ 1 11	2 - „ 2 1	- - ditto.	- - ditto.
60 „ 76	50 „ 66	42 „ 46	82 „ 84	1 11 „ 2 -	2 - „ 2 1	- - ditto.	- - ditto.
76 „ 84	50 „ 66	- none -	98 „ 100	1 8 „ 1 10	1 11 „ 2 -	- - ditto.	- - ditto.
70 „ 90	50 „ 76	- ditto -	- 88 s. -	1 8 „ 1 10	1 11 „ 2 -	- - ditto.	- - ditto.
65 „ 68	60 „ 76	- ditto -	- 90 s. -	1 8 „ 1 9	- 1 s. 11 d. -	- - ditto.	- - ditto.
50 „ 75	60 „ 72	- ditto -	- 90 s. -	1 8 „ 1 9	- 1 s. 10 d. -	- - ditto.	- - ditto.
50 „ 78	65 „ 72	- ditto -	- 84 s. -	1 8 „ 1 10	1 10 to 1 11	- - ditto.	- - ditto.
50 „ 80	64 „ 70	- ditto -	- 84 s. -	1 8 „ 1 9	1 10 „ 1 11	- - ditto.	- - ditto.
50 „ 80	64 „ 70	- ditto -	78 to 80	- 1 s. 8 d. -	1 10 „ 1 11	- - ditto.	- - ditto.
50 „ 80	64 „ 70	- ditto -	- 82 s. -	1 8 to 1 9	1 9 „ 1 11	- - ditto.	- - ditto.
50 „ 80	54 „ 70	- ditto -	76 to 77	- - No prices quoted		- - ditto.	- - ditto.
52 „ 85	54 „ 70	- ditto -	- 73 s. -			- - ditto.	- - ditto.
40 „ 70	46 „ 56	38 to 42	66 to 68	1 7 to 1 8	1 9 „ 1 10	- - ditto.	- - ditto.
40 „ 70	44 „ 56	40 „ 42	- 74 s. -	1 7 „ 1 8	1 9 „ 1 10	- - ditto.	- - ditto.
40 „ 70	44 „ 56	- ditto -	100 to 104	- - No prices quoted		- - ditto.	- - ditto.
40 „ 70	38 „ 66	- ditto -	80 „ 82			- - ditto.	- - ditto.
40 „ 70	38 „ 66	- ditto -	- 94 s. -			- - ditto.	- - ditto.
40 „ 70	38 „ 66	- none -	- nominal -	- ditto -	- ditto -	- - ditto.	- - ditto.

means of supplying the Prices of English Wool or English Linen.

Thomas Lack.

Appendix, No. 93.

AN ACCOUNT of the PRICES of SUGAR, COFFEE, COTTON, HEMP, FLOUR, TALLOW,
from 1819 to

YEARS.	SUGAR, per Cwt.		COFFEE, per Cwt.		COTTON, per lb.		HEMP, per Ton.	
	Muscovado.		Fine Jamaica.	Java.	Bowed Georgia.	Bengal.	Riga, Rhine.	Petersburgh, Clean.
	Fine Jamaica.	Fine Havannah.						
	s. s.	s. s.	s. s.	s. s.	s. d. s. d.	d. d.	£. £. s.	£. s. £. s.
January 1819	86 to 89	60 to 68	143 to 146	158 s.	1 5 to 1 8	6½ to 9	- 50 l. -	- 46 l. -
July - ditto	77 „ 81	52 „ 56	113 „ 116	127 to 137	1 - „ 1 1	6 „ 7½	- 47 l. -	42 - to 43 -
January 1820	73 „ 80	52 „ 58	131 „ 133	- none -	1 1½ „ 1 2	6½ „ 8	- 49 l. -	44 l. 10 s.
July - ditto	79 „ 86	64 „ 72	125 „ 128	- ditto -	- 1 1½ „ 1 -	6½ „ 8½	- none -	41 l. 10 s.
January 1821	77 „ 81	45 „ 52	118 „ 121	- ditto -	- 9 „ - 11	5½ „ 7½	- 43 l. -	- 39 l. -
July - ditto	74 „ 78	53 „ 56	119 „ 124	- ditto -	- 9½ „ - 11	5½ „ 6½	- 40 l. -	36 - to 36 10
January 1822	76 „ 82	41 „ 46	104 „ 109	- ditto -	- 9 „ - 10½	5½ „ 6½	- 54 l. -	- 52 l. -
July - ditto	69 „ 73	36 „ 37	140 „ 156	- ditto -	- 9½ „ - 10½	5½ „ 6½	- 41 l. -	- 37 l. -
January 1823	73 „ 78	42 „ 44	131 „ 134	160 to 180	- 7 „ - 9	5 „ 5½	- 44 l. -	- none -
July - ditto	66 „ 70	44 „ 45	125 „ 128	110 „ 115	- 7 „ - 9	5½ „ 6½	- 41 l. -	- ditto -
January 1824	70 „ 74	37 „ 44	108 „ 120	- none -	- 7½ „ - 9½	5½ „ 6½	42 to 42 10	37 l. 10 s.
July - ditto	67 „ 71	33 „ 40	87 „ 104	- ditto -	- 7½ „ - 9½	5½ „ 6½	38 „ 39 -	35 5 to 35 10
January 1825	69 „ 73	39 „ 40	98 „ 102	72 to 76	- 8½ „ - 10½	5½ „ 6½	- none -	- 42 l. -
July - ditto	70 „ 71	50 „ 54	88 „ 94	- none -	1 1 „ 1 3½	7½ „ 9½	- ditto -	42 - to 42 10
January 1826	71 „ 75	49 „ 52	92 „ 100	- ditto -	- 6½ „ - 9	5½ „ 6½	- ditto -	- 41 l. -
July - ditto	63 „ 69	39 „ 42	85 „ 88	- ditto -	- 6 „ - 8	4½ „ 5½	- ditto -	37 - to 38 -
January 1827	70 „ 75	41 „ 46	85 „ 95	- ditto -	- 6½ „ - 7½	4½ „ 5½	- ditto -	41 10 „ 42 -
July - ditto	73 „ 74	41 „ 47	80 „ 85	- ditto -	- 5½ „ - 6½	4½ „ 5½	41 to 42 -	37 - „ 38 -
January 1828	71 „ 72	45 „ 49	78 „ 80	42 to 48	- 5½ „ - 6½	3½ „ 5	- none -	39 l. 15 s.
July - ditto	67 „ 69	45 „ 49	68 „ 77	34 „ 40	- 5 „ - 6½	3½ „ 4½	- ditto -	38 l. 10 s.
January 1829	67 „ 70	47 „ 50	69 „ 76	- none -	- 5½ „ - 7½	3½ „ 5	39 to 42 -	38 l. 10 s.
July - ditto	67 „ 72	46 „ 50	73 „ 76	32 to 36	- 5½ „ - 6½	3½ „ 4½	- 40 l. -	39 15 to 40 -
January 1830	64 „ 68	46 „ 48	63 „ 78	- none -	- 5½ „ - 6½	3½ „ 4½	45 to 45 10	- 45 l. -
July - ditto	66 „ 68	34 „ 45	66 „ 78	- ditto -	- 6½ „ - 7½	4 „ 5	42 „ 44 -	40 - to 42 -
January 1831	56 „ 61	27 „ 30	75 „ 78	29 to 34	- 6 „ - 7½	4½ „ 5½	- none -	- none -
July - ditto	57 „ 62	33 „ 35	79 „ 82	35 „ 41	- 5½ „ - 7	4 „ 4½	41 to 42 -	38 10 to 40 -
January 1832	56 „ 58	32 „ 33	96 „ 100	55 „ 62	- 5 „ - 7	4 „ 4½	39 „ 40 -	37 l. 10 s.
June 12 ditto	54 „ 58	32 „ 37	84 „ 86	32 „ 62	- 6 „ - 7½	4½ „ 5½	not quoted	- 35 l. -

Mem.—The Records of the BOARD OF TRADE do not furnish

Office for Trade, }
18 June 1832. }

Appendix, No. 93.

WHALE OIL, DEALS, TIMBER and TOBACCO, in the Months of January and July in each Year, the present time.

TALLOW, per Cwt.				WHALE OIL, per Tun of 252 Gallons.				DEALS.				TIMBER.				TOBACCO, per lb.			
Yellow Soap.		Petersburgh.		New Greenland, without Casks.		Spermaceti.		Memel, Yellow, p' Standard Hundred.				Memel, per Load.				Virginia, Fine Black.		Brazil Leaf.	
s. d.	s. d.	s. d.	s. d.	£.	s.	£.	s.	£.	£.	s.	£.	s.	£.	s. d.	£.	s. d.	d.	d.	
78 s.		74 s.		36	- to	37	-	93 l.	22	- to	23	-	6 15 - to	6 17 6	12	to	13	none.	
64 - to	65 -	59 - to	60 -	33	- „	34	-	90 l.	-	21 l.	-		6 10 - „	6 12 6	9	„	10	none.	
55 - „	56 -	51 - „	52 -	-	31 l.	-		69 l.	-	18 l.	-		6 - - „	6 5 -	8 ½	„	10	none.	
57 - „	57 6	53 s. 6 d.		33	- to	34	-	74 l.	18	- to	19	-	6 - - „	6 17 6	8	„	9	none.	
51 s. 6 d.		47 s.		25	- „	25 10		72 l.	17	10 „	18	-	6 - - „	6 2 6	7 ½	„	8 ½	none.	
45 s. 6 d.		42 s.		22 l. 10 s.				65 l.	17	10 „	18	-	5 l. 5 s.		6	„	7	none.	
44 s.		39 s.		19	- to	20	-	55 l.	17	10 „	18	-	5 - - to	5 5 -	7	„	7 ½	none.	
35 s.		31 - to	32 -	-	19 l.	-		42 l.	17	15 „	18	-	5 2 6 „	5 5 -	7	„	7 ½	none.	
37 - to	37 6	35 s.		-	27 l.	-		47 l.	18	10 „	19	-	5 15 - „	5 17 -	7	„	7 ½	none.	
34 s. 6 d.		33 s.		22 l. 10 s.				43 l.	19	- „	19 10		5 l. 10 s.		5 ½	„	6 ½	none.	
31 - to	32 -	34 - to	34 6	-	18 l.	-		42 l.	20	- „	21	-	5 10 - to	5 12 6	6	„	7 ½	none.	
32 s. 6 d.		34 3 „	34 6	-	20 l.	-	37 to	38	18	- „	18 10		5 2 6 „	5 5 -	5	„	6	none.	
- none	-	37 s.		25 l. 10 s.		42 „	43	19	- „	19 10		5 15 - „	6 - -		5 ½	„	7	none.	
- ditto	-	35 - to	35 6	24 l.		44 l.		18	- „	19 10		5 l. 15 s.			6 ¾	„	8	none.	
- ditto	-	35 - „	35 3	-	31 l.	-		52 l.	19	- „	20	-	5 10 - to	5 15 -	8	„	8 ½	none.	
- ditto	-	32 s.		-	29 l.	-		48 l.	17	- „	17 10		4 15 - „	5 - -	6 ½	„	7	none.	
38 s. 6 d.		37 s.		34	- to	35	-	68 l.	17	- „	17 10		4 15 - „	5 7 6	6 ½	„	7	none.	
38 s.		36 s.		-	28 l.	-		70 l.	16	- „	17	-	4 5 - „	4 7 6	5 ½	„	6	none.	
37 9 to	38 -	37 s. 6 d.		-	23 l.	-		82 l.	16	- „	17	-	4 15 - „	5 - -	5 ½	„	6	none.	
36 s. 9 d		36 - to	36 6	24	- to	25	-	78 l.	15	- „	16 10		4 12 6 „	5 - -	5	„	5 ½	none.	
39 s. 9 d.		38 6 „	39 -	26	- „	27	-	80 l.	16	- „	17	-	5 - - „	5 10 -	5	„	5 ½	none.	
37 3 to	37 6	- none	-	-	26 l.	-		68 l.	16	- „	17 10		4 17 6 „	5 7 6	5	„	5 ½	none.	
34 s.		35 s. 3 d.		-	29 l.	-		72 l.	16	- „	17	-	4 17 6 „	5 2 6	4 ½	„	5	none.	
33 6 to	34 -	35 s.		30 10 to	31	-		74 l.	16	- „	17	-	4 l. 10 s.		4	„	5	none.	
45 s. 9 d.		45 s. 9 d.		57	- „	58	-	85 to	86	16	- „	17	-	4 15 - to	5 2 6	5	„	5 ¼	none.
40 s. 6 d.		41 s.		-	none	-		78 l.	16	10 „	18	-	5 - - „	5 10 -	4 ½	„	5	none.	
42 s. 6 d.		42 s. 6 d.		-	34 l.	-		74 l.	16	10 „	18	-	5 - - „	5 10 -	4 ½	„	5	none.	
- none	-	41 s.		-	30 l.	-	65 to	66	16	10 „	18 10		5 - - „	5 10 -	4 ½	„	5	none.	

the means of supplying the Prices of English Flour.

Thomas Lack.

Appendix, No. 94.

AN ACCOUNT of the PRICE of the £.3 per Cent. CONSOLS and the PREMIUM or DISCOUNT on EXCHEQUER BILLS from 1797 to 1832, on the 28 February and 31 August in each Year to the present time (7 August 1832.)

—	CONSOLS.	EXCHEQUER BILLS.	—	CONSOLS.	EXCHEQUER BILLS.
1797: Feb. 28	52 $\frac{5}{8}$ 51 $\frac{7}{8}$	3/ disc ^t .	1807: Feb. 27	62 $\frac{3}{8}$ $\frac{5}{8}$	2/ dis. par.
Aug. 31	52 $\frac{5}{8}$ $\frac{3}{4}$ $\frac{1}{8}$ $\frac{3}{8}$	- nil.	Aug. 31	62 $\frac{5}{8}$ $\frac{1}{2}$ $\frac{5}{8}$	1/ dis. 1/ p ^m .
1798: Feb. 28	49 $\frac{1}{2}$ $\frac{3}{4}$ $\frac{5}{8}$ $\frac{7}{8}$	- nil.	1808: Feb. 27	63 $\frac{3}{4}$ $\frac{1}{2}$	2/ dis. 1/ p ^m .
Aug. 31	50 49 $\frac{7}{8}$ 50	$\frac{3}{8}$ p' cent. disc ^t .	Aug. 31	65 $\frac{3}{4}$ $\frac{1}{2}$ $\frac{5}{8}$	6/ 2/ 3/ p ^m .
1799: Feb. 28	53 $\frac{3}{4}$ $\frac{5}{8}$ 54	- nil.	1809: Feb. 28	67 $\frac{3}{8}$ $\frac{3}{4}$	9/ 12/ p ^m .
Aug. 31	65 $\frac{1}{8}$ 65 66 $\frac{7}{8}$ $\frac{5}{8}$	7/ p ^m .	Aug. 31	68 $\frac{1}{8}$	8/ 15/ p ^m .
1800: Feb. 28	62 $\frac{3}{8}$ $\frac{5}{8}$ $\frac{1}{2}$	- nil.	1810: Feb. 27	67 $\frac{3}{4}$ $\frac{5}{8}$ $\frac{3}{4}$	3/ 6/ p ^m .
Aug. 30	65 $\frac{5}{8}$ $\frac{3}{8}$	- nil.	Aug. 31	68 $\frac{3}{8}$ $\frac{1}{8}$ $\frac{1}{4}$	3d. p' day par 4/ p ^m .
1801: Feb. 28	55 $\frac{5}{8}$ 6	- nil.			3 $\frac{1}{4}$ d. 1/ dis. 3/ p ^m .
Aug. 31	60 $\frac{3}{8}$ $\frac{1}{2}$	- nil.	1811: Feb. 28	65 $\frac{5}{8}$ $\frac{1}{2}$ $\frac{3}{4}$ $\frac{5}{8}$	9/ 11/ p ^m .
1802: Feb. 27	69 $\frac{1}{8}$ 9 $\frac{1}{4}$ $\frac{1}{8}$	- nil.	Aug. 31	64 $\frac{1}{4}$ $\frac{1}{8}$ $\frac{1}{4}$	3d. p' day par 2/ p ^m .
Aug. 31	68 67 $\frac{3}{8}$ $\frac{1}{2}$	3/ p ^m 4/ p ^m .			3 $\frac{1}{4}$ d. 4/ 5/ p ^m .
1803: Feb. 28	71 $\frac{1}{4}$ $\frac{3}{8}$ 71 $\frac{1}{4}$	- nil.	1812: Feb. 28	62 $\frac{1}{8}$ 1 $\frac{7}{8}$ 2	3d. p' day 5/ p ^m .
Aug. 31	54 $\frac{1}{4}$ $\frac{1}{2}$ $\frac{1}{4}$ $\frac{3}{8}$	- nil.			3 $\frac{1}{4}$ d. 6/ 5/ p ^m .
1804: Feb. 28	55 $\frac{3}{8}$ $\frac{1}{2}$ $\frac{1}{4}$ $\frac{3}{8}$	- nil.	Aug. 31	59 $\frac{3}{8}$	3 $\frac{1}{4}$ d. 1/ dis. par.
Aug. 31	57 $\frac{1}{4}$ 7 $\frac{1}{8}$	- nil.			3 $\frac{1}{2}$ d. 4/ 5/ p ^m .
1805: Feb. 28	58 $\frac{1}{8}$ $\frac{1}{4}$ 8 $\frac{1}{8}$	par 1/ disc ^t .	1813: Feb. 27	58 $\frac{5}{8}$ $\frac{1}{2}$ $\frac{5}{8}$	3 $\frac{1}{2}$ d. 4/ 6/ p ^m .
Aug. 31	58 $\frac{1}{4}$ $\frac{3}{8}$ $\frac{1}{4}$	2/ p ^m 1/ dis. 1/ p ^m .	Aug. 31	56 $\frac{7}{8}$ 7 6 $\frac{3}{4}$ 7	1/ 4/ p ^m .
1806: Feb. 28	60 $\frac{1}{2}$ $\frac{1}{8}$	2/ p ^m 4/ p ^m .	1814: Feb. 28	70 $\frac{1}{2}$ $\frac{5}{8}$ $\frac{3}{8}$	2/ 5/ p ^m .
Aug. 30	63 $\frac{1}{8}$ 2 $\frac{3}{4}$	1/ p ^m 1/ dis. par.	Aug. 31	65 $\frac{1}{8}$ $\frac{3}{8}$ $\frac{1}{8}$ $\frac{1}{4}$	2/ 5/ p ^m .

Appendix, No. 94.—ACCOUNT of the Price of £.3 per Cent. Consols: 1797-1832—continued.

	CONSOLS.	EXCHEQUER BILLS.		CONSOLS.	EXCHEQUER BILLS.
1815: Feb. 28	64 $\frac{1}{8}$ 3 $\frac{7}{8}$	1/ dis. 2/ p ^m .	1823: Feb. 28	73 $\frac{1}{8}$ 2 $\frac{3}{4}$ 3 $\frac{1}{8}$	8/ 7/ p ^m .
Aug. 31	56 $\frac{1}{8}$ 8 $\frac{1}{4}$	2/ 3/ dis. 3/ 5/ dis.	Aug. 30	82 $\frac{3}{4}$ $\frac{7}{8}$	35/ 36/ p ^m .
1816: Feb. 28	61 $\frac{3}{4}$ $\frac{1}{2}$	2/ dis. 3/ p ^m .	1824: Feb. 28	92 $\frac{1}{2}$ $\frac{3}{4}$	43/ 38/ p ^m .
Aug. 31	61 $\frac{1}{2}$ 8 $\frac{3}{4}$	3 $\frac{1}{2}$ d. p' day 2/ 3/ p ^m . 3 $\frac{1}{2}$ d. 3/ 5/ p ^m .	Aug. 31	93 $\frac{7}{8}$ $\frac{3}{4}$	2 d. p' day 41/ p ^m . 1 $\frac{1}{2}$ d. 39/ p ^m . advertized 38/ p ^m .
1817: Feb. 28	67 $\frac{3}{8}$ $\frac{1}{4}$ $\frac{1}{2}$ $\frac{1}{8}$ $\frac{3}{8}$	3 d. 13/ 16/ p ^m . 3 $\frac{1}{4}$ d. 10/ 16/ p ^m . 2 $\frac{1}{2}$ d. 5/ p ^m .	1825: Feb. 28	98 $\frac{5}{8}$ $\frac{7}{8}$	2 d. } 58/ 56/ 58/ p ^m . 1 $\frac{1}{2}$ }
Aug. 30	79 $\frac{3}{8}$ 8 $\frac{7}{8}$ 9 $\frac{1}{8}$ 9	2 $\frac{1}{2}$ d. 32/ 34/ 31/ 26/ p ^m . 3 d. 30/ p ^m . 3 $\frac{1}{4}$ d. 29/ 27/ p ^m .	Aug. 31	86 $\frac{7}{8}$ 7 $\frac{3}{8}$	5/ 7/ 3/ p ^m .
1818: Feb. 28	79 $\frac{1}{4}$ $\frac{3}{8}$	2 d. 16/ 18/ p ^m . 2 $\frac{1}{2}$ d. 20/ 18/ p ^m .	1826: Feb. 28	77 $\frac{1}{8}$ 6 $\frac{7}{8}$ 7 $\frac{1}{8}$ $\frac{1}{4}$	2/ dis. par.
Aug. 31	74 $\frac{1}{4}$ 3 $\frac{7}{8}$ 4	2 d. 20/ 19/ p ^m . 2 $\frac{1}{4}$ d. 19/ 18/ p ^m .	Aug. 31	79 $\frac{1}{4}$ 8 $\frac{3}{4}$ 98 $\frac{7}{8}$	18/ 19/ p ^m .
1819: Feb. 27	73 $\frac{3}{4}$ 4 $\frac{1}{8}$ 3	2 d. 1/ p ^m 10/ 6/ 8/ d ^u	1827: Feb. 28	82 $\frac{1}{2}$ $\frac{5}{8}$	34/ 35/ p ^m .
Aug. 31	71 $\frac{1}{2}$ $\frac{5}{8}$	par 1/ dis.	Aug. 31	86 $\frac{1}{2}$ $\frac{3}{8}$ $\frac{7}{8}$	59/ 61/ p ^m .
1820: Feb. 28	68 $\frac{1}{4}$ $\frac{1}{8}$ $\frac{3}{8}$	1/ 2/ p ^m .	1828: Feb. 28	83 $\frac{7}{8}$ $\frac{1}{2}$	55/ 57/ p ^m .
Aug. 31	67 $\frac{5}{8}$ $\frac{3}{4}$ $\frac{1}{2}$	4/ 5/ p ^m .	Aug. 31	87 $\frac{1}{2}$ $\frac{5}{8}$ $\frac{1}{2}$	75/ 76/ p ^m .
1821: Feb. 28	73 $\frac{1}{4}$ 2 $\frac{7}{8}$	5/ 3/ 4/ 3/ p ^m .	1829: Feb. 28	86 $\frac{3}{4}$ $\frac{5}{8}$	56/ 55/ p ^m .
Aug. 31	76 $\frac{1}{8}$ $\frac{1}{4}$ 6	3/ 5/ 2/ 3/ p ^m .	Aug. 31	88 $\frac{1}{2}$ $\frac{3}{8}$ $\frac{7}{8}$	66/ 64/ 66/ p ^m .
1822: Feb. 28	78 $\frac{5}{8}$ $\frac{3}{8}$ $\frac{3}{4}$ $\frac{5}{8}$	par 3/ dis.	1830: Feb. 27	91 $\frac{1}{2}$ $\frac{1}{4}$ $\frac{1}{2}$	2 d. } 77/ 76/ p ^m . 1 $\frac{3}{4}$ } 1 $\frac{1}{2}$ }
Aug. 31	80 $\frac{3}{8}$ $\frac{1}{2}$ $\frac{3}{8}$	3/ 4/ 2/ p ^m .	Aug. 31	90 $\frac{1}{4}$ $\frac{1}{8}$ $\frac{3}{8}$ $\frac{1}{4}$	76/ 77/ p ^m .
			1831: Feb. 28	77 $\frac{3}{4}$ $\frac{1}{8}$	17/ 18/ p ^m .
			Aug. 31	81 $\frac{5}{8}$ $\frac{3}{4}$ $\frac{1}{2}$ $\frac{5}{8}$	10/ 11/ p ^m .
			1832: Feb. 28	82 $\frac{1}{2}$ $\frac{5}{8}$ $\frac{3}{8}$ $\frac{1}{2}$	7/ 8/ p ^m .

Bank of England, }
11 August 1832. }Will^m Smee,
Chief Acc^t.

Appendix, No. 95.

A LIST of the FOREIGN LOANS contracted in *England*, with the Amounts of the same; the Names of the Contractors, the Year in which the Contracts were made, and the Prices at which they were issued: extracted from the Memorandums of Messrs. *Wetenhall*, Publishers of "The Course of Exchange," &c.

		£.					
Austrian *	-	2,500,000	5 p' cent	N. M. Rothschild	-	1823	82 p' cent.
Belgian *	-	2,000,000	-	-	-	1832	75 -
Brazilian *	-	3,200,000	-	T. Wilson & Co.	-	1824	75 -
Ditto *	-	2,000,000	-	N. M. Rothschild	-	1825	85 -
Ditto *	-	800,000	-	Rothschild & Wilson	-	1829	-
Buenos Ayres	-	1,000,000	6 p' cent	Baring, Brothers	-	1824	85 -
Chili	-	1,000,000	-	Hullett, Brothers	-	1822	70 -
Columbian	-	2,000,000	-	Herring, Graham & Co.	-	1822	84 -
Ditto	-	4,750,000	-	B. A. Goldschmidt & Co.	-	1824	88 $\frac{1}{2}$ -
Danish *	-	5,500,000	3 p' cent	T. Wilson & Co.	-	1825	75 -
Greek	-	800,000	5 p' cent	Loughnan & Co.	-	1824	59 -
Ditto	-	2,000,000	-	Ricardos	-	1825	56 $\frac{1}{2}$ -
Guatemala	-	1,428,571	6 p' cent	J. & A. Powles	-	1825	73 -
Guadaljava	-	600,000	5 p' cent	W. Ellward, jun.	-	1825	60 -
Mexican	-	3,200,000	-	B. A. Goldschmidt & Co.	-	1824	58 -
Ditto	-	3,200,000	6 p' cent	Barclay, Herring & Co.	-	1825	89 $\frac{3}{4}$ -
Neapolitan *	-	2,500,000	5 p' cent	N. M. Rothschild	-	1824	92 $\frac{1}{2}$ -
Prussian *	-	5,000,000	-	-	-	1818	72 -
Ditto *	-	3,500,000	-	-	-	1822	84 -
Portuguese	-	1,500,000	-	B. A. Goldschmidt & Co.	-	1823	87 -
Peruvian	-	450,000	6 p' cent	Frys & Chapman	-	1822	88 -
Ditto	-	750,000	-	-	-	1824	82 -
Ditto	-	616,000	-	-	-	1825	78 -
Russian *	-	3,500,000	5 p' cent	N. M. Rothschild	-	1822	82 -
Spanish	-	1,500,000	-	A. F. Haldimand	-	1821	56 -
Ditto	-	1,500,000	-	J. Campbell & Co.	-	1823	30 $\frac{1}{4}$ -

* Those marked thus continue to pay the Dividends.

Mierville & De la Chaumette,
Angel Court.

Appendix, No. 96.

AN ACCOUNT of the WEEKLY MARKET PRICES of GOLD and SILVER, and COURSE OF EXCHANGE, with *Hamburgh*, *Lisbon* and *Paris*, from 1 January 1819 to the latest date.

DATE.	GOLD in Bars.	PORTUGAL GOLD COIN.	SILVER in Bars.	SPANISH DOLLARS.	HAM- BURGH.	LISBON.	PARIS, 3 Days' Sight.	PARIS, 2 Usances.
1819:	£. s. d.	£. s. d.	s. d.	s. d.				
January 5	- no price -	- no price -	5 5 $\frac{1}{2}$	- no price -	33. 9	58	23. 60	23. 80
12	- " -	- " -	5 5 $\frac{1}{2}$	5 5 $\frac{1}{2}$	33. 9	58	23. 50	23. 80
19	4 3 -	- " -	5 5 $\frac{1}{2}$	5 6	33. 9	58	23. 50	23. 80
26	4 3 -	- " -	5 7	- no price -	33. 9	58	23. 50	23. 80
February 2	- no price -	- " -	5 7	5 9	33. 7	58	23. 50	23. 80
9	- " -	- " -	5 7	- no price -	33. 7	58	23. 70	24. -
16	- " -	- " -	5 7	5 7	33. 8	58	23. 80	24. 10
23	- " -	- " -	5 7	- no price -	34. -	58	23. 85	24. 15
March - 2	4 1 6	- " -	- no price -	5 6	34. -	58	23. 70	24. -
9	4 1 6	- " -	5 6	- no price -	34. 1	58	23. 80	24. 10
16	- no price -	- " -	- no price -	5 5	34. 2	57 $\frac{1}{2}$	23. 80	24. 10
23	4 1 -	4 1 -	5 6	- no price -	34. 4	57 $\frac{1}{2}$	23. 80	24. 10
30	4 1 -	- no price -	- no price -	- " -	34. 4	57 $\frac{1}{2}$	23. 95	24. 25
April - 6	- no price -	- " -	5 6	5 5	34. 4	57	23. 95	24. 25
13	- " -	- " -	5 6	5 5	33. 11	57	23. 80	24. 10
20	4 2 -	- " -	5 6	5 5	34. -	57	23. 80	24. 10
27	- no price -	- " -	5 6	- no price -	34. -	57	23. 80	24. 10
May - 4	- " -	- " -	5 6	5 4 $\frac{1}{2}$	34. 3	57	23. 90	24. 20
11	- " -	4 - 6	- no price -	- no price -	34. 8	56 $\frac{1}{2}$	24. 30	24. 60
18	- " -	- no price -	- " -	5 3 $\frac{1}{2}$	34. 8	56	24. 30	24. 60
25	- " -	4 - 6	5 4	- no price -	34. 11	55 $\frac{1}{2}$	24. 30	24. 60

COMMITTEE ON BANK OF ENGLAND CHARTER.

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DATE.	GOLD in Bars.	PORTUGAL GOLD COIN.	SILVER in Bars.	SPANISH DOLLARS.	HAM- BURGH.	LISBON.	PARIS, 3 Days' Sight.	PARIS, 2 Usances.
1819:	£. s. d.	£. s. d.	s. d.	s. d.				
June - 1	- no price -	- no price -	- no price -	- no price -	35. 2	54	24. 85	25. 15
8	- " -	- " -	5 2 $\frac{1}{2}$	5 - $\frac{1}{2}$	35. 4	54	24. 85	25. 15
15	- " -	3 19 6	5 2 $\frac{1}{2}$	5 - $\frac{1}{2}$	35. 2	54	24. 50	24. 80
22	- " -	- no price -	5 2 $\frac{1}{2}$	5 - $\frac{1}{2}$	35. -	54 $\frac{1}{2}$	24. 50	24. 80
29	- " -	- " -	5 2 $\frac{1}{2}$	5 - $\frac{1}{2}$	35. 6	53 $\frac{1}{2}$	24. 90	25. 20
July - 6	- " -	- " -	5 2	5 -	35. 9	53 $\frac{1}{2}$	25. -	25. 30
13	3 18 -	3 18 -	5 2	5 -	35. 9	53 $\frac{1}{2}$	25. -	25. 30
20	- no price -	- no price -	5 2	5 -	35. 8	54	25. -	25. 30
27	- " -	3 18 -	5 2	5 - $\frac{1}{2}$	35. 8	54	25. -	25. 30
August - 3	3 18 -	3 18 -	5 2	5 - $\frac{1}{2}$	35. 11	54	25. 10	25. 30
10	- no price -	3 18 -	5 2	5 - $\frac{1}{2}$	36. -	54	25. 10	25. 40
17	- " -	- no price -	5 2	5 -	36. 6	53 $\frac{1}{2}$	25. 20	25. 50
24	3 17 10 $\frac{1}{2}$	3 17 10 $\frac{1}{2}$	5 2	5 -	36. 5	53 $\frac{1}{2}$	25. 30	25. 50
31	3 17 10 $\frac{1}{2}$	- no price -	5 2	5 - $\frac{1}{2}$	36. 2	53 $\frac{1}{2}$	25. 10	25. 40
Sept. - 7	- no price -	3 17 10 $\frac{1}{2}$	5 2	- no price -	36. 4	53	25. 20	25. 50
14	3 17 10 $\frac{1}{2}$	- no price -	5 2	5 -	36. 6	53	25. 30	25. 60
21	3 17 10 $\frac{1}{2}$	- " -	5 2	5 -	36. 6	53	25. 35	25. 65
28	3 17 10 $\frac{1}{2}$	- " -	5 2	5 -	36. 6	53	25. 35	25. 65
Oct. - 5	3 17 10 $\frac{1}{2}$	- " -	5 2	5 -	36. 9	52 $\frac{1}{2}$	25. 55	25. 85
12	3 17 10 $\frac{1}{2}$	- " -	5 2	5 -	36. 4	52 $\frac{1}{2}$	25. 30	25. 60
19	3 17 10 $\frac{1}{2}$	- " -	5 2	5 -	36. 4	52 $\frac{1}{2}$	25. 30	25. 60
26	- no price -	- " -	5 2	5 -	35. 11	53 $\frac{1}{2}$	25. 5	25. 35
Nov. - 2	3 18 6	3 18 6	5 2	5 - $\frac{1}{2}$	35. 11	54	25. 5	25. 35
9	3 18 -	- no price -	5 2	- no price -	36. -	53 $\frac{1}{2}$	25. 5	25. 35
16	3 18 -	- " -	5 2	5 -	36. 3	53	25. 20	25. 50
23	- no price -	- " -	5 2	5 -	36. -	53 $\frac{1}{2}$	25. 10	25. 40
30	- " -	- " -	5 2	5 -	36. -	53 $\frac{1}{4}$	25. 10	25. 40
Dec. - 7	- " -	3 17 10 $\frac{1}{2}$	5 2	5 -	36. 1	53	25. 15	25. 45
14	- " -	3 17 10 $\frac{1}{2}$	5 2	5 -	36. 2	52 $\frac{3}{4}$	25. 15	25. 45
21	3 17 10 $\frac{1}{2}$	- no price -	5 2	5 - $\frac{1}{2}$	36. 2	52 $\frac{3}{4}$	25. 15	25. 45
28	3 17 10 $\frac{1}{2}$	- " -	5 2	5 -	36. 2	52	25. 15	25. 45
1820:								
January 4	3 17 10 $\frac{1}{2}$	- " -	5 2	5 -	36. -	52	24. 95	25. 25
11	3 17 10 $\frac{1}{2}$	- " -	5 2	5 -	36. 1	52	25. -	25. 30
18	3 17 10 $\frac{1}{2}$	- " -	5 2	5 -	36. 1	52	25. -	25. 30
25	3 17 10 $\frac{1}{2}$	- " -	5 2	5 -	36. 1	52	25. -	25. 30
February 1	3 17 10 $\frac{1}{2}$	3 17 9	5 2	5 -	36. 1	52	25. 5	25. 30
8	3 17 10 $\frac{1}{2}$	- no price -	5 2	5 -	36. 1	52	25. 5	25. 35
15	3 17 10 $\frac{1}{2}$	- " -	5 2	5 -	36. 1	52	25. 5	25. 35
22	3 17 10 $\frac{1}{2}$	- " -	5 1 $\frac{1}{2}$	4 11 $\frac{1}{2}$	36. 4	51	25. 20	25. 50
29	3 17 10 $\frac{1}{2}$	- " -	5 1 $\frac{1}{2}$	4 11 $\frac{1}{2}$	36. 4	50 $\frac{3}{4}$	25. 20	25. 50
March - 7	3 17 10 $\frac{1}{2}$	- " -	5 1 $\frac{1}{2}$	4 11 $\frac{1}{2}$	36. 5	50 $\frac{3}{4}$	25. 20	25. 50
14	3 17 10 $\frac{1}{2}$	- " -	5 1 $\frac{1}{2}$	4 11 $\frac{1}{2}$	36. 5	50 $\frac{3}{4}$	25. 30	25. 60
21	3 17 10 $\frac{1}{2}$	- " -	5 1 $\frac{1}{2}$	4 11 $\frac{1}{2}$	36. 6	50 $\frac{3}{4}$	25. 35	25. 65
28	3 17 10 $\frac{1}{2}$	- " -	5 1	4 11 $\frac{1}{2}$	36. 7	50 $\frac{3}{4}$	25. 45	25. 75
April - 4	3 17 10 $\frac{1}{2}$	- " -	5 1	4 11	36. 7	50 $\frac{3}{4}$	25. 40	25. 70
11	3 17 10 $\frac{1}{2}$	- " -	5 1	4 11	36. 7	51	25. 40	25. 70
18	3 17 10 $\frac{1}{2}$	- " -	5 1	4 11	36. 7	51	25. 40	25. 70
25	3 17 10 $\frac{1}{2}$	- " -	5 - $\frac{1}{2}$	- no price -	36. 7	51	25. 40	25. 70
May - 2	3 17 10 $\frac{1}{2}$	- " -	5 - $\frac{1}{2}$	4 11	36. 9	51	25. 50	25. 80
9	3 17 10 $\frac{1}{2}$	- " -	5 - $\frac{1}{2}$	- no price -	36. 11	51	25. 55	25. 85
16	3 17 10 $\frac{1}{2}$	- " -	5 - $\frac{1}{2}$	4 10 $\frac{1}{2}$	36. 10	51	25. 55	25. 85
23	3 17 10 $\frac{1}{2}$	- " -	5 - $\frac{1}{2}$	4 10 $\frac{1}{2}$	36. 9	51	25. 45	25. 75
30	3 17 10 $\frac{1}{2}$	- " -	5 - $\frac{1}{2}$	4 10 $\frac{1}{2}$	36. 11	50 $\frac{1}{2}$	25. 60	25. 90
June - 6	3 17 10 $\frac{1}{2}$	- " -	5 - $\frac{1}{2}$	4 10 $\frac{1}{2}$	37. -	50 $\frac{1}{4}$	25. 70	26. -
13	3 17 10 $\frac{1}{2}$	- " -	5 - $\frac{1}{2}$	4 10 $\frac{1}{2}$	37. -	50 $\frac{1}{4}$	25. 70	26. -
20	3 17 10 $\frac{1}{2}$	- " -	5 -	4 10 $\frac{1}{2}$	37. 1	50	25. 70	26. -
27	3 17 10 $\frac{1}{2}$	- " -	5 -	4 10 $\frac{1}{2}$	37. 2	50	25. 80	26. 10
July - 4	3 17 10 $\frac{1}{2}$	- " -	5 -	4 10 $\frac{1}{2}$	37. 3	50	25. 80	26. 10
11	3 17 10 $\frac{1}{2}$	- " -	5 -	4 10 $\frac{1}{2}$	37. 4	50	25. 80	26. 10
18	3 17 10 $\frac{1}{2}$	- " -	5 -	4 10 $\frac{1}{2}$	37. 6	49 $\frac{3}{4}$	25. 80	26. 10
25	3 17 10 $\frac{1}{2}$	- " -	5 -	4 10 $\frac{1}{2}$	37. 6	49 $\frac{3}{4}$	25. 80	26. 10
August - 1	3 17 10 $\frac{1}{2}$	- " -	5 -	4 10 $\frac{1}{2}$	37. 6	49 $\frac{3}{4}$	25. 80	26. 10
8	3 17 10 $\frac{1}{2}$	- " -	5 -	4 10 $\frac{1}{2}$	37. 6	49 $\frac{1}{2}$	25. 80	26. 10
15	3 17 10 $\frac{1}{2}$	- " -	5 -	4 10 $\frac{1}{2}$	37. 6	49	25. 70	26. -
22	3 17 10 $\frac{1}{2}$	- " -	- no price -	4 10 $\frac{1}{2}$	37. 6	49	25. 70	26. -
29	3 17 10 $\frac{1}{2}$	- " -	- " -	4 10 $\frac{1}{2}$	37. 6	49	25. 70	26. -

DATE.	G O L D in Bars.	PORTUGAL GOLD COIN.	SILVER in Bars.	SPANISH DOLLARS.	HAM- BURGH.	LISBON.	PARIS, 3 Days' Sight.	PARIS, 2 Usances.
1820:	£. s. d.	£. s. d.	s. d.	s. d.				
Sept. - 5	3 17 10 $\frac{1}{2}$	- no price -	4 11 $\frac{1}{2}$	4 10 $\frac{1}{2}$	37. 6	48 $\frac{1}{2}$	25.70	26. -
12	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 10 $\frac{1}{2}$	37. 7	48 $\frac{1}{2}$	25.80	26.10
19	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 10 $\frac{1}{2}$	37. 7	48 $\frac{1}{2}$	25.80	26.10
26	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 10 $\frac{1}{2}$	37. 7	48 $\frac{1}{2}$	25.80	26.10
Oct. - 3	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 10 $\frac{1}{2}$	37. 8	48 $\frac{1}{2}$	25.80	26.10
10	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 10 $\frac{1}{2}$	37. 8	48 $\frac{1}{2}$	25.80	26.10
17	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 10 $\frac{1}{2}$	37. 8	48 $\frac{1}{2}$	25.80	26.10
24	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 10 $\frac{1}{2}$	37. 8	49 $\frac{1}{4}$	25.80	26.10
31	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 10 $\frac{1}{2}$	37. 8	50	25.80	26.10
Nov. - 7	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 10 $\frac{1}{2}$	37. 6	50 $\frac{1}{4}$	25.70	26. -
14	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 10 $\frac{1}{2}$	37. 6	51	25.70	26. -
21	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 10 $\frac{1}{2}$	37. 7	51	25.70	26. -
28	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 10 $\frac{1}{2}$	36. 7	51	25.70	26. -
Dec. - 5	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 10 $\frac{1}{2}$	37. 8	50 $\frac{1}{2}$	25.70	26. -
12	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 10 $\frac{1}{2}$	37. 8	49 $\frac{1}{2}$	25.70	26. -
19	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 11	37. 9	48 $\frac{1}{2}$	25.75	26. 5
26	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 11	37.10	48 $\frac{1}{2}$	25.75	26. 5
1821:								
January 2	3 17 10 $\frac{1}{2}$	- " -	- no price -	4 11	38. 1	48 $\frac{1}{2}$	25.75	26. 5
9	3 17 10 $\frac{1}{2}$	- " -	- " -	- no price -	38. 2	48	25.75	26. 5
16	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	- " -	38. 2	48 $\frac{1}{2}$	25.75	26. 5
23	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 10 $\frac{1}{2}$	38. 2	49	25.75	26. 5
30	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 10 $\frac{1}{2}$	38. 2	49	25.75	26. 5
February 6	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 10 $\frac{1}{2}$	38. 2	49 $\frac{1}{2}$	25.75	26. 5
13	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 10 $\frac{1}{2}$	38. 2	49 $\frac{1}{2}$	25.80	26.10
20	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 10 $\frac{1}{2}$	38. 2	49 $\frac{1}{2}$	25.80	26.10
27	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 10 $\frac{1}{2}$	38. 2	49 $\frac{1}{2}$	25.80	26.10
March - 6	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 10 $\frac{1}{2}$	38. 2	49 $\frac{1}{2}$	25.80	26.10
13	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 10 $\frac{1}{2}$	38. 3	49 $\frac{1}{2}$	25.80	26.10
20	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 10 $\frac{1}{2}$	38. 4	49 $\frac{1}{4}$	25.80	26.10
27	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 10 $\frac{1}{2}$	38. 7	50	25.80	26.15
April - 3	3 17 10 $\frac{1}{2}$	- " -	4 11	4 10	38. 7	49 $\frac{1}{2}$	25.80	26.15
10	3 17 10 $\frac{1}{2}$	- " -	4 11	4 10	38. 7	49 $\frac{1}{2}$	25.80	26.15
17	3 17 10 $\frac{1}{2}$	- " -	4 11	4 10	38. 7	49 $\frac{1}{2}$	25.80	26.15
24	3 17 10 $\frac{1}{2}$	- " -	4 11	4 10	38. 7	49 $\frac{1}{2}$	25.80	26.15
May - 1	3 17 10 $\frac{1}{2}$	- " -	4 11	4 10	38. 7	50	25.80	26.15
8	3 17 10 $\frac{1}{2}$	- " -	4 11	4 10	38. 7	50	25.80	26.15
15	3 17 10 $\frac{1}{2}$	- " -	4 11	4 10	38. 7	50	25.80	26.15
22	3 17 10 $\frac{1}{2}$	- " -	4 11	4 10	38. 7	50	25.80	26.15
29	3 17 10 $\frac{1}{2}$	- " -	4 10	4 10	38. 7	49 $\frac{1}{2}$	25.80	26.15
June - 5	3 17 10 $\frac{1}{2}$	- " -	4 10	- no price -	38. 9	49 $\frac{1}{2}$	25.80	26.15
12	3 17 10 $\frac{1}{2}$	- " -	4 10	4 9	38.10	49 $\frac{1}{2}$	25.85	26.20
19	3 17 10 $\frac{1}{2}$	- " -	4 10	4 9	38.10	49 $\frac{1}{2}$	25.85	26.20
26	3 17 10 $\frac{1}{2}$	- " -	4 10 $\frac{1}{2}$	- no price -	38.10	49 $\frac{1}{2}$	25.85	26.20
July - 3	3 17 10 $\frac{1}{2}$	- " -	4 10 $\frac{1}{2}$	- " -	38.10	49 $\frac{1}{2}$	25.85	26.20
10	3 17 10 $\frac{1}{2}$	- " -	4 10 $\frac{1}{2}$	4 9 $\frac{1}{2}$	38.10	50	25.85	26.20
17	3 17 10 $\frac{1}{2}$	- " -	4 10 $\frac{1}{2}$	4 9 $\frac{1}{2}$	38.10	50	25.85	26.20
24	3 17 10 $\frac{1}{2}$	- " -	- no price -	4 10	38. 8	50	25.70	26. -
31	3 17 10 $\frac{1}{2}$	- " -	4 11	4 10	38. 6	50	25.55	25.85
August - 7	3 17 10 $\frac{1}{2}$	- " -	4 11	4 10	38. 2	50	25.55	25.85
14	3 17 10 $\frac{1}{2}$	- " -	4 11	4 10	38. 2	50	25.70	26. -
21	3 17 10 $\frac{1}{2}$	- " -	4 11	4 10	38. 2	50	25.70	26. -
28	3 17 10 $\frac{1}{2}$	- " -	4 11	4 10	38. 2	50	25.70	26. -
Sept. - 4	3 17 10 $\frac{1}{2}$	- " -	4 11	4 10	38. 2	50	25.70	26. -
11	3 17 10 $\frac{1}{2}$	- " -	4 9 $\frac{1}{2}$	- no price -	38. 2	50	25.70	26. -
18	3 17 10 $\frac{1}{2}$	- " -	4 11	4 9 $\frac{1}{2}$	38. 2	50	25.60	25.90
25	3 17 10 $\frac{1}{2}$	- " -	4 11	4 9 $\frac{1}{2}$	38. 1	50	25.70	26. -
Oct. - 2	3 17 10 $\frac{1}{2}$	- " -	- no price -	- no price -	37.10	50	25.70	26. -
9	3 17 10 $\frac{1}{2}$	- " -	4 10 $\frac{1}{2}$	4 9	38. 1	50	25.75	26. 5
16	3 17 10 $\frac{1}{2}$	- " -	4 10 $\frac{1}{2}$	4 9	38. 1	50	25.75	26. 5
23	3 17 10 $\frac{1}{2}$	- " -	4 11	4 9 $\frac{1}{2}$	38. -	50	25.70	26. -
30	3 17 10 $\frac{1}{2}$	- " -	4 11	4 9 $\frac{1}{2}$	37.10	50	25.60	25.90
Nov. - 6	3 17 10 $\frac{1}{2}$	- " -	4 11	4 9 $\frac{1}{2}$	37.10	50	25.60	25.90
13	3 17 10 $\frac{1}{2}$	- " -	- no price -	4 9 $\frac{1}{2}$	37. 9	50	25.60	25.90
20	3 17 10 $\frac{1}{2}$	- " -	- " -	4 9 $\frac{1}{2}$	37. 8	50	25.60	25.90
27	3 17 10 $\frac{1}{2}$	- " -	- " -	4 9 $\frac{1}{2}$	37. 6	50	25.60	25.90

DATE.	GOLD in Bars.	PORTUGAL GOLD COIN.	SILVER in Bars.	SPANISH DOLLARS.	HAM- BURGH.	LISBON.	PARIS, 3 Days' Sight.	PARIS, 2 Usances.
1821:	£. s. d.	£. s. d.	s. d.	s. d.				
Dec. - 4	3 17 10 $\frac{1}{2}$	- No price -	4 11 $\frac{1}{2}$	- no price -	37. 6	50	25. 60	25. 90
11	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{2}$	37. 6	50	25. 60	25. 90
18	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{2}$	37. 6	50	25. 60	25. 90
24	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{2}$	37. 6	49 $\frac{3}{4}$	25. 60	25. 90
1822:								
Jan. - 1	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{2}$	37. 6	49 $\frac{1}{2}$	25. 60	25. 90
8	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{2}$	37. 6	49 $\frac{1}{2}$	25. 60	25. 90
15	3 17 10 $\frac{1}{2}$	- " -	5 -	4 10	37. 5	50	25. 50	25. 80
22	3 17 10 $\frac{1}{2}$	- " -	5 -	- no price -	37. 3	50 $\frac{1}{2}$	25. 40	25. 70
29	3 17 10 $\frac{1}{2}$	- " -	- no price -	4 9 $\frac{1}{2}$	37. 5	51	25. 40	25. 70
Feb. - 5	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{2}$	37. 5	51	25. 40	25. 70
12	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{2}$	37. 5	50 $\frac{3}{4}$	25. 40	25. 70
19	3 17 10 $\frac{1}{2}$	- " -	- no price -	4 9 $\frac{1}{2}$	37. 4	50 $\frac{1}{2}$	25. 40	25. 70
26	3 17 10 $\frac{1}{2}$	- " -	4 11	4 9 $\frac{1}{2}$	37. 4	50 $\frac{1}{2}$	25. 40	25. 70
Mar. - 5	3 17 10 $\frac{1}{2}$	- " -	4 11	4 9 $\frac{1}{2}$	37. 3	50 $\frac{1}{2}$	25. 40	25. 70
12	3 17 10 $\frac{1}{2}$	- " -	- no price -	- no price -	37. 3	50 $\frac{1}{2}$	25. 35	25. 65
19	3 17 10 $\frac{1}{2}$	- " -	- " -	4 10	37. 2	50 $\frac{1}{2}$	25. 30	25. 60
26	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 10	37. -	50 $\frac{1}{2}$	25. 20	25. 50
April - 2	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	- no price -	37. 2	50 $\frac{1}{2}$	25. 30	25. 60
9	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	- " -	37. 3	50 $\frac{1}{2}$	25. 40	25. 70
16	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{2}$	4 10	37. 3	50 $\frac{1}{4}$	25. 30	25. 60
23	3 17 10 $\frac{1}{2}$	- " -	- no price -	- no price -	37. 3	50 $\frac{1}{4}$	25. 30	25. 60
30	3 17 10 $\frac{1}{2}$	- " -	- " -	4 10	37. 2	50 $\frac{3}{4}$	25. 20	25. 50
May - 7	3 17 10 $\frac{1}{2}$	- " -	- " -	4 9 $\frac{1}{2}$	37. 2	51	25. 20	25. 50
14	3 17 10 $\frac{1}{2}$	- " -	- " -	4 9 $\frac{1}{2}$	37. 4	51	25. 25	25. 55
21	3 17 10 $\frac{1}{2}$	- " -	- " -	4 9 $\frac{1}{2}$	37. 6	50 $\frac{1}{2}$	25. 30	25. 60
28	3 17 10 $\frac{1}{2}$	- " -	- " -	- no price -	37. 8	50 $\frac{1}{2}$	25. 35	25. 65
June - 4	3 17 10 $\frac{1}{2}$	- " -	- " -	4 9 $\frac{1}{4}$	37. 8	51 $\frac{1}{4}$	25. 35	25. 65
11	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{1}{4}$	4 9 $\frac{1}{4}$	37. 9	51 $\frac{1}{4}$	25. 40	25. 70
18	3 17 6	- " -	- no price -	4 9	37. 9	51 $\frac{1}{2}$	25. 50	25. 80
25	3 17 6	- " -	4 11	4 9	37. 11	51 $\frac{1}{2}$	25. 65	25. 95
July - 2	3 17 6	- " -	4 11	4 9	38. 2	51 $\frac{1}{4}$	25. 70	26. -
9	3 17 6	- " -	4 11	4 9	38. 1	51 $\frac{1}{4}$	25. 70	26. -
16	3 17 6	- " -	4 11	4 9	38. -	51 $\frac{1}{2}$	25. 70	26. -
23	3 17 6	- " -	- no price -	4 9 $\frac{1}{4}$	37. 10	51 $\frac{1}{4}$	25. 50	25. 80
30	3 17 6	- " -	- " -	- no price -	37. 8	51 $\frac{3}{4}$	25. 40	25. 70
Aug. - 6	3 17 6	- " -	4 11 $\frac{1}{4}$	4 9 $\frac{1}{4}$	37. 9	52	25. 50	25. 80
13	3 17 6	- " -	- no price -	- no price -	37. 9	52 $\frac{1}{4}$	25. 50	25. 80
20	3 17 6	- " -	4 11 $\frac{1}{4}$	4 9	37. 9	52 $\frac{1}{4}$	25. 55	25. 85
27	3 17 6	- " -	4 11 $\frac{1}{4}$	4 9	37. 11	52 $\frac{3}{4}$	25. 60	25. 90
Sept. - 3	3 17 6	- " -	4 11 $\frac{1}{4}$	4 9	38. -	53	25. 60	25. 90
10	3 17 6	- " -	4 11 $\frac{1}{4}$	4 9	38. -	52 $\frac{3}{4}$	25. 60	25. 90
17	3 17 6	- " -	- no price -	4 9	38. -	52 $\frac{1}{2}$	25. 60	25. 90
24	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9	38. -	52 $\frac{1}{4}$	25. 60	25. 90
Oct. - 1	3 17 6	- " -	4 11 $\frac{1}{4}$	4 9	38. -	52	25. 60	25. 90
8	3 17 6	- " -	4 11 $\frac{1}{4}$	4 9	38. -	52	25. 60	25. 90
15	3 17 6	- " -	4 11 $\frac{1}{4}$	4 9	37. 10	52	25. 55	25. 85
22	3 17 6	- " -	- no price -	4 9 $\frac{1}{4}$	37. 7	52 $\frac{1}{2}$	25. 45	25. 75
29	3 17 6	- " -	- " -	4 9 $\frac{1}{4}$	37. 9	52 $\frac{1}{2}$	25. 50	25. 80
Nov. - 5	3 17 6	- " -	- " -	4 9 $\frac{1}{2}$	37. 8	52 $\frac{1}{2}$	25. 55	25. 85
12	3 17 6	- " -	- " -	- no price -	37. 9	52 $\frac{1}{2}$	25. 55	25. 85
19	3 17 6	- " -	- " -	4 9 $\frac{1}{4}$	37. 8	52 $\frac{1}{2}$	25. 50	25. 80
26	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 5	52 $\frac{1}{2}$	25. 40	25. 70
Dec. - 3	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 7	52 $\frac{1}{2}$	25. 50	25. 80
10	3 17 6	- " -	4 11 $\frac{1}{2}$	- no price -	37. 9	52 $\frac{1}{4}$	25. 55	25. 85
17	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 9	52 $\frac{1}{4}$	25. 55	25. 85
24	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 9	52	25. 65	25. 85
31	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 8	52 $\frac{1}{2}$	25. 65	25. 85
1823:								
Jan. - 7	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 8	52	25. 65	25. 85
14	3 17 6	- " -	4 11 $\frac{1}{4}$	4 9 $\frac{1}{4}$	37. 8	52	25. 65	25. 85
21	3 17 6	- " -	4 11 $\frac{1}{4}$	4 9 $\frac{1}{4}$	37. 9	52	25. 65	25. 85
28	3 17 6	- " -	4 11 $\frac{1}{4}$	4 9 $\frac{1}{4}$	37. 8	52	25. 65	25. 85
Feb. - 4	3 17 6	- " -	- no price -	- no price -	37. 8	52	25. 50	25. 70
11	3 17 6	- " -	- " -	- " -	37. 8	52	25. 50	25. 70
18	3 17 6	- " -	- " -	- " -	37. 10	52	25. 70	25. 90
25	3 17 6	- " -	- " -	- " -	37. 11	52	25. 75	26. -

D A T E.	G O L D in Bars.	PORTUGAL GOLD COIN.	S I L V E R in Bars.	SPANISH DOLLARS.	HAM- BURGH.	LISBON.	PARIS, 3 Days' Sight.	PARIS, 2 Usances.
1823:	£. s. d.	£. s. d.	s. d.	s. d.				
Mar. - 4	3 17 6	- no price -	4 11 $\frac{1}{4}$	4 9	38. 4	51 $\frac{1}{2}$	25.80	26.10
11	3 17 6	- " -	4 11 $\frac{1}{4}$	4 9	38. 5	51 $\frac{3}{4}$	25.80	26.10
18	3 17 6	- " -	4 11 $\frac{1}{4}$	4 9	38. 4	51 $\frac{1}{2}$	25.80	26.10
25	3 17 6	- " -	4 11 $\frac{1}{4}$	4 9	38. 4	51	25.80	26.10
April - 1	3 17 6	- " -	4 11 $\frac{1}{4}$	4 9	38. 2	51	25.90	26.10
8	3 17 6	- " -	- no price -	- no price -	38. 1	51	25.90	26.10
15	3 17 6	- " -	- " -	- " -	38. 1	51 $\frac{1}{2}$	25.80	26.10
22	3 17 6	- " -	4 10 $\frac{3}{4}$	4 9	38. 1	51 $\frac{1}{2}$	25.80	26.10
29	3 17 6	- " -	4 10 $\frac{3}{4}$	4 9	38. 3	51	25.80	26.10
May - 6	3 17 6	- " -	4 10 $\frac{3}{4}$	4 9	38. 5	51	25.90	26.15
13	3 17 6	- " -	4 10 $\frac{3}{4}$	4 9	38. 4	51	25.90	26.15
20	3 17 6	- " -	4 10 $\frac{3}{4}$	4 9	38. 4	51	25.90	26.15
27	3 17 6	- " -	4 10 $\frac{3}{4}$	4 9	38. 4	51	25.90	26.15
June - 3	3 17 6	- " -	- no price -	4 9	38. 4	51	25.90	26.15
10	3 17 6	- " -	4 11	4 9	38. 2	51	25.90	26.10
17	3 17 6	- " -	4 11	4 9	38. -	51	25.85	26. -
24	3 17 6	- " -	4 11	4 9	38. -	51	25.80	26. -
July - 1	3 17 6	- " -	4 11	4 9	38. -	51	25.80	26. -
8	3 17 6	- " -	4 11	4 9	38. 3	51 $\frac{1}{2}$	25.90	26.10
15	3 17 6	- " -	- no price -	4 9	38. 4	52	25.90	26.10
22	3 17 6	- " -	- " -	- no price -	38. 3	52	25.85	26. 5
29	3 17 6	- " -	- " -	4 8 $\frac{3}{4}$	38. 2	52	25.80	26. 5
Aug. - 5	3 17 6	- " -	4 10 $\frac{3}{4}$	4 8 $\frac{3}{4}$	38. 2	52	25.80	26. 5
12	3 17 6	- " -	4 10 $\frac{3}{4}$	4 8 $\frac{3}{4}$	38. 2	52	25.80	26. 5
19	3 17 6	- " -	4 11	4 8 $\frac{3}{4}$	38. 2	52 $\frac{1}{2}$	25.85	26. 5
26	3 17 6	- " -	4 11	4 8 $\frac{3}{4}$	38. 2	52 $\frac{1}{2}$	25.85	26. 5
Sept. - 2	3 17 6	- " -	4 11	4 8 $\frac{3}{4}$	38. 2	52 $\frac{1}{2}$	25.85	26. 5
9	3 17 6	- " -	4 11	4 9	38. 2	52 $\frac{1}{2}$	25.85	26. 5
16	3 17 6	- " -	4 11	4 9	38. 2	52 $\frac{1}{2}$	25.85	26. 5
23	3 17 6	- " -	- no price -	4 9	38. 2	53	25.90	26.10
30	3 17 6	- " -	- " -	4 9	38. 2	53	25.90	26.10
Oct. - 7	3 17 6	- " -	- " -	4 9	38. 2	53	25.90	26.10
14	3 17 6	- " -	4 11	4 9	38. 2	53	25.90	26.10
21	3 17 6	- " -	4 11	4 9	38. 1	52	25.90	26.10
28	3 17 6	- " -	4 11	4 9	37.10	53	25.85	26. 5
Nov. - 4	3 17 6	- " -	- no price -	- no price -	37.10	52 $\frac{1}{2}$	25.80	26. -
11	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 8	52 $\frac{1}{4}$	25.70	25.90
18	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 8	52 $\frac{1}{4}$	25.70	25.90
25	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 9	52 $\frac{1}{4}$	25.70	25.90
Dec. - 2	3 17 6	- " -	- no price -	- no price -	37. 8	52 $\frac{1}{2}$	25.70	25.90
9	3 17 6	- " -	- " -	4 9	37. 8	52	25.70	25.90
16	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 7	52	25.70	25.90
23	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 7	52	25.70	25.90
30	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 8	52	25.70	25.90
1824:								
Jan. - 6	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 8	52	25.65	25.85
13	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 7	52	25.65	25.85
20	3 17 6	- " -	- no price -	4 9 $\frac{1}{4}$	37. 5	52	25.65	25.85
27	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 4	52	25.60	25.80
Feb. - 3	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 5	51 $\frac{1}{2}$	25.60	25.80
10	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 5	51 $\frac{1}{2}$	25.60	25.80
17	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 5	51 $\frac{1}{2}$	25.60	25.80
24	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 5	51 $\frac{1}{2}$	25.60	25.80
Mar. - 2	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 5	51 $\frac{1}{4}$	25.60	25.80
9	3 17 6	- " -	- no price -	4 9 $\frac{1}{2}$	37. 5	51	25.60	25.80
16	3 17 6	- " -	- " -	- no price -	37. 4	50 $\frac{3}{4}$	25.60	25.80
23	3 17 6	- " -	- " -	4 9 $\frac{1}{4}$	37. 6	50 $\frac{3}{4}$	25.60	25.80
30	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 7	50 $\frac{3}{4}$	25.60	25.85
Apr. - 6	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 7	50 $\frac{3}{4}$	25.60	25.85
13	3 17 6	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{1}{2}$	37. 6	50 $\frac{3}{4}$	25.60	25.80
20	3 17 6	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{1}{2}$	37. 5	50 $\frac{3}{4}$	25.40	25.70
27	3 17 6	3 17 6	5 -	4 9 $\frac{3}{4}$	37. 5	50 $\frac{3}{4}$	25.35	25.65
May - 4	3 17 6	- " -	- no price -	- no price -	37. 6	50 $\frac{3}{4}$	25.40	25.70
11	3 17 6	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{1}{2}$	37. 6	50 $\frac{1}{2}$	25.40	25.70
18	3 17 6	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{1}{2}$	37. 6	50	25.45	25.70
25	3 17 6	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{1}{2}$	37. 6	50	25.45	25.75

DATE.	GOLD in Bars.	PORTUGAL GOLD COIN.	SILVER in Bars.	SPANISH DOLLARS.	HAM- BURGH.	LISBON.	PARIS, 3 Days' Sight.	PARIS, 2 Usances.
1824:	£. s. d.	£. s. d.	s. d.	s. d.				
June - 1	3 17 6	- no price -	4 11 $\frac{3}{4}$	4 9 $\frac{1}{2}$	37. 6	50	25.45	25.75
8	3 17 6	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{1}{2}$	37. 7	50 $\frac{1}{4}$	25.45	25.75
15	3 17 6	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{1}{2}$	37. 7	50 $\frac{1}{4}$	25.45	25.75
22	3 17 6	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{1}{2}$	37. 6	50 $\frac{1}{4}$	25.50	25.80
29	3 17 6	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{1}{2}$	37. 5	50 $\frac{1}{4}$	25.50	25.80
July - 6	3 17 6	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{1}{2}$	37. 3	50 $\frac{3}{4}$	25.50	25.80
13	3 17 6	- " -	5 -	4 9 $\frac{1}{4}$	37. 3	51 $\frac{1}{4}$	25.45	25.75
20	3 17 6	- " -	- no price -	4 10	37. 2	51 $\frac{1}{4}$	25.35	25.65
27	3 17 6	- " -	- " -	- no price -	37. 2	51	25.30	25.60
Aug - 3	3 17 6	- " -	- " -	4 10 $\frac{1}{2}$	37. 3	51	25.25	25.55
10	3 17 6	- " -	5 - $\frac{1}{2}$	4 10 $\frac{1}{4}$	37. 4	51 $\frac{1}{4}$	25.20	25.50
17	3 17 6	- " -	5 - $\frac{1}{2}$	4 10 $\frac{1}{4}$	37. 4	51 $\frac{1}{4}$	25.25	25.55
24	3 17 6	- " -	4 10	- no price -	37. 3	51 $\frac{1}{4}$	25.25	25.55
31	3 17 6	- " -	- no price -	4 10	36. 11	51 $\frac{1}{4}$	25.20	25.50
Sept. - 7	3 17 8	- " -	- " -	4 10 $\frac{1}{4}$	37. -	51 $\frac{1}{4}$	25.20	25.50
14	3 17 8	- " -	- " -	4 10 $\frac{1}{4}$	37. 1	51	25.30	25.60
21	3 17 6	- " -	- " -	4 10 $\frac{1}{4}$	37. 1	51	25.30	25.60
28	3 17 6	- " -	- " -	4 10 $\frac{1}{4}$	37. 1	51	25.30	25.60
Oct. - 5	3 17 6	- " -	5 - $\frac{1}{2}$	4 10 $\frac{1}{4}$	37. 1	51	25.30	25.60
12	3 17 6	- " -	5 - $\frac{1}{2}$	4 10 $\frac{1}{4}$	37. 2	50 $\frac{1}{2}$	25.30	25.60
19	3 17 6	- " -	5 - $\frac{1}{2}$	4 10 $\frac{1}{4}$	37. 2	50 $\frac{1}{2}$	25.30	25.60
26	3 17 6	- " -	- no price -	4 10 $\frac{1}{4}$	37. -	50 $\frac{1}{2}$	25.20	25.50
Nov. - 2	3 17 8	- " -	- " -	4 10 $\frac{1}{2}$	37. -	50 $\frac{1}{2}$	25.20	25.50
9	3 17 8	- " -	- " -	- no price -	37. -	50 $\frac{1}{2}$	25.20	25.50
16	3 17 9	- " -	5 - $\frac{1}{2}$	4 10 $\frac{1}{4}$	37. -	50 $\frac{1}{2}$	25.15	25.45
23	3 17 9	- " -	5 - $\frac{1}{2}$	4 10 $\frac{1}{4}$	36. 11	50 $\frac{1}{4}$	25.15	25.45
30	3 17 9	- " -	5 - $\frac{1}{2}$	4 10 $\frac{1}{4}$	36. 10	50 $\frac{1}{2}$	25.15	25.45
Dec. - 7	3 17 9	- " -	5 - $\frac{1}{2}$	4 10 $\frac{1}{4}$	37. -	51	25.15	25.45
14	3 17 9	- " -	5 - $\frac{1}{2}$	4 10 $\frac{1}{4}$	37. -	51	25.15	25.45
21	3 17 9	- " -	5 - $\frac{1}{2}$	4 10 $\frac{1}{4}$	37. -	51	25.15	25.45
28	3 17 9	- " -	5 - $\frac{1}{2}$	4 10 $\frac{1}{4}$	37. -	51	25.15	25.45
1825:								
Jan. - 4	3 17 9	- " -	5 - $\frac{1}{2}$	4 10 $\frac{1}{4}$	37. -	51	25.15	25.45
11	3 17 9	- " -	5 - $\frac{1}{2}$	- no price -	37. -	51	25.15	25.45
18	3 17 9	- " -	- no price -	4 10 $\frac{1}{2}$	36. 10	51	25.15	25.45
25	3 17 9	- " -	- " -	4 10 $\frac{1}{2}$	36. 10	51	25.15	25.45
Feb. - 1	3 17 9	- " -	- " -	4 10 $\frac{1}{2}$	37. -	51	25.15	25.45
8	3 17 9	- " -	5 - $\frac{3}{4}$	4 10 $\frac{1}{2}$	37. 1	51	25.15	25.45
15	3 17 9	- " -	5 - $\frac{3}{4}$	4 10 $\frac{1}{2}$	37. 1	51	25.15	25.45
22	3 17 9	- " -	5 - $\frac{3}{4}$	4 10 $\frac{1}{2}$	37. -	51	25.15	25.45
Mar. - 1	3 17 9	- " -	- no price -	4 10 $\frac{3}{4}$	36. 11	51	25.15	25.45
8	3 17 9	- " -	- " -	4 10 $\frac{3}{4}$	36. 11	51 $\frac{1}{2}$	25.15	25.45
15	3 17 9	- " -	- " -	4 11	36. 10	51 $\frac{1}{2}$	25.15	25.45
22	3 17 9	- " -	5 1	4 11	36. 10	51	25.15	25.45
29	3 17 9	- " -	5 1	4 11 $\frac{1}{4}$	36. 11	51	25.15	25.45
April - 5	3 17 9	- " -	5 1	4 11 $\frac{1}{4}$	36. 10	51 $\frac{1}{4}$	25.20	25.50
12	3 17 9	- " -	5 1	4 11 $\frac{1}{4}$	36. 9	51 $\frac{1}{2}$	25.15	25.45
19	3 17 9	- " -	5 1	4 11 $\frac{1}{4}$	36. 6	51 $\frac{1}{2}$	25.15	25.45
26	3 17 9	- " -	5 1	4 11 $\frac{1}{4}$	36. 6	51 $\frac{1}{2}$	25.15	25.45
May - 3	3 17 10 $\frac{1}{2}$	- " -	5 1	4 11 $\frac{1}{4}$	36. 6	51 $\frac{1}{2}$	25.15	25.45
10	- no price -	- " -	5 1	4 11	36. 9	51 $\frac{1}{2}$	25.15	25.45
17	3 17 9	- " -	5 1	4 11 $\frac{1}{4}$	36. 9	51 $\frac{1}{2}$	25.20	25.45
24	3 17 9	- " -	5 1	4 11 $\frac{1}{4}$	36. 9	51 $\frac{1}{2}$	25.20	25.45
31	3 17 10 $\frac{1}{2}$	- " -	5 - $\frac{3}{4}$	4 11 $\frac{1}{4}$	36. 9	51 $\frac{1}{2}$	25.20	25.45
June - 7	3 17 10 $\frac{1}{2}$	- " -	5 - $\frac{3}{4}$	4 11 $\frac{1}{4}$	36. 9	51 $\frac{1}{4}$	25.20	25.45
14	3 17 10 $\frac{1}{2}$	- " -	5 - $\frac{1}{2}$	4 11 $\frac{1}{4}$	36. 10	51 $\frac{1}{4}$	25.20	25.45
21	3 17 10 $\frac{1}{2}$	- " -	5 - $\frac{1}{2}$	4 11 $\frac{1}{4}$	36. 10	51	25.20	25.45
28	3 17 10 $\frac{1}{2}$	- " -	5 - $\frac{1}{2}$	4 11 $\frac{1}{4}$	36. 10	51	25.20	25.45
July - 5	3 17 10 $\frac{1}{2}$	- " -	5 - $\frac{1}{2}$	4 11 $\frac{1}{4}$	36. 10	51 $\frac{1}{4}$	25.20	25.45
12	3 17 10 $\frac{1}{2}$	- " -	- no price -	4 11 $\frac{1}{4}$	36. 10	51 $\frac{1}{4}$	25.20	25.45
19	3 17 10 $\frac{1}{2}$	- " -	- " -	- no price -	36. 10	51 $\frac{1}{4}$	25.20	25.45
26	3 17 10 $\frac{1}{2}$	- " -	- " -	- " -	36. 10	51 $\frac{1}{4}$	25.25	25.50
Aug. - 2	3 17 10 $\frac{1}{2}$	- " -	5 - $\frac{3}{4}$	- " -	36. 10	51 $\frac{1}{4}$	25.25	25.50
9	3 17 10 $\frac{1}{2}$	- " -	5 - $\frac{3}{4}$	4 11	36. 10	51 $\frac{1}{4}$	25.25	25.50
16	3 17 10 $\frac{1}{2}$	- " -	5 1	4 11 $\frac{1}{4}$	36. 10	51 $\frac{1}{4}$	25.25	25.50
23	3 17 10 $\frac{1}{2}$	- " -	5 1	4 11 $\frac{1}{4}$	36. 10	51 $\frac{1}{4}$	25.25	25.50
30	3 17 10 $\frac{1}{2}$	- " -	5 1	4 11 $\frac{1}{4}$	36. 10	51 $\frac{1}{4}$	25.25	25.50

DATE.	G O L D in Bars.	PORTUGAL GOLD COIN.	SILVER in Bars.	SPANISH DOLLARS.	HAM- BURGH.	LISBON.	PARIS, 3 Days' Sight.	PARIS, 2 Usances.
1825:	£. s. d.		s. d.	s. d.				
Sept. - 6	3 17 10 $\frac{1}{2}$	- no price -	5 1	4 11 $\frac{1}{4}$	37. -	51 $\frac{1}{4}$	25.25	25.50
13	3 17 10 $\frac{1}{2}$	- " -	5 1	4 11 $\frac{1}{4}$	37. -	51	25.25	25.50
20	3 17 10 $\frac{1}{2}$	- " -	5 1	4 11 $\frac{1}{4}$	37. -	51	25.25	25.50
27	3 16 -	- " -	5 1	- no price -	37. -	51	25.30	25.55
Oct. - 4	- no price -	- " -	5 1	- " -	37. 2	51	25.35	25.60
11	3 17 6	- " -	5 1	4 11	37. 2	51	25.40	25.65
18	3 17 6	- " -	5 1	4 11 $\frac{1}{4}$	37. -	51	25.35	25.60
25	3 17 8	- " -	5 1	4 11 $\frac{1}{2}$	37. -	51	25.30	25.55
Nov. - 1	- no price -	- " -	5 1	4 11 $\frac{1}{4}$	37. -	51	25.30	25.55
8	- " -	- " -	5 1 $\frac{1}{4}$	4 11 $\frac{1}{4}$	36. 11	51	25.30	25.55
15	3 17 10 $\frac{1}{2}$	- " -	5 1 $\frac{1}{4}$	4 11 $\frac{1}{4}$	36. 10	51	25.25	25.50
22	3 17 10 $\frac{1}{2}$	- " -	5 1 $\frac{1}{4}$	4 11 $\frac{1}{4}$	36. 10	51 $\frac{1}{4}$	25.20	25.45
29	3 17 10 $\frac{1}{2}$	- " -	5 1 $\frac{1}{4}$	4 11 $\frac{1}{4}$	37. 1	51	25.25	25.50
Dec. - 6	3 17 6	- " -	5 1	- no price -	37. 3	50 $\frac{3}{4}$	25.30	25.55
13	3 17 6	- " -	- no price -	4 10 $\frac{1}{2}$	37. 9	50 $\frac{1}{2}$	25.40	25.75
20	3 17 6	- " -	5 - $\frac{3}{4}$	- no price -	38. 1	50	25.50	25.85
27	3 17 6	- " -	- no price -	- " -	37. 11	50	25.50	25.80
1826:								
Jan. - 3	3 17 6	- " -	5 - $\frac{1}{2}$	4 10 $\frac{1}{4}$	37. 8	50 $\frac{3}{4}$	25.40	25.65
10	3 17 6	- " -	5 - $\frac{1}{2}$	- no price -	37. 4	51	25.40	25.65
17	3 17 6	- " -	- no price -	- " -	37. 4	51	25.40	25.65
24	3 17 6	- " -	- " -	4 11	37. 3	50 $\frac{3}{4}$	25.40	25.65
31	3 17 6	- " -	5 1	4 11	37. 3	50 $\frac{1}{2}$	25.40	25.65
Feb. - 7	3 17 6	- " -	5 1	- " -	37. 6	50 $\frac{1}{2}$	25.50	25.80
14	3 17 6	- " -	5 1	4 11	37. 9	50 $\frac{1}{4}$	25.65	25.90
21	3 17 6	- " -	5 1	4 11	37. 10	51	25.70	25.95
28	3 17 6	- " -	- no price -	- no price -	37. 10	51 $\frac{1}{4}$	25.70	25.90
March - 7	3 17 6	- " -	- " -	4 10 $\frac{1}{2}$	37. 8	51 $\frac{1}{4}$	25.65	25.90
14	3 17 6	- " -	5 - $\frac{3}{4}$	- no price -	37. 6	51 $\frac{1}{4}$	25.65	25.90
21	3 17 6	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{1}{2}$	37. 8	51	25.70	25.95
28	3 17 6	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{1}{2}$	38. -	51	25.80	26.10
April - 4	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{2}$	38. -	51	25.80	26.10
11	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{2}$	38. -	50 $\frac{3}{4}$	25.80	26.10
18	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{2}$	37. 10	50 $\frac{1}{4}$	25.75	26. -
25	3 17 6	- " -	- no price -	- no price -	37. 10	50 $\frac{1}{4}$	25.75	26. -
May - 2	3 17 6	- " -	4 11	- " -	37. 10	50 $\frac{1}{2}$	25.75	26. -
9	3 17 6	- " -	4 11 $\frac{1}{4}$	- " -	37. 9	50 $\frac{1}{2}$	25.75	26. -
16	3 17 6	- " -	- no price -	- no price -	37. 8	50 $\frac{1}{2}$	25.70	26. -
23	3 17 6	- " -	- " -	- " -	37. 8	50 $\frac{1}{2}$	25.70	25.95
30	3 17 6	- " -	4 11 $\frac{1}{4}$	4 9 $\frac{1}{4}$	37. 7	50 $\frac{1}{2}$	25.65	25.90
June - 6	3 17 6	- " -	4 11 $\frac{1}{4}$	4 9 $\frac{1}{4}$	37. 10	50 $\frac{1}{2}$	25.70	25.95
13	3 17 6	- " -	4 11 $\frac{1}{4}$	- no price -	37. 10	50 $\frac{1}{2}$	25.70	25.95
20	3 17 6	- " -	4 11 $\frac{1}{4}$	- " -	37. 10	50 $\frac{1}{4}$	25.70	25.95
27	3 17 6	- " -	4 11	4 9	37. 11	50	25.70	25.95
July - 4	3 17 6	- " -	4 11	4 9	37. 11	50	25.70	25.95
11	3 17 6	- " -	4 11	4 9	37. 11	50	25.70	25.95
18	3 17 6	- " -	4 11	4 9	37. 11	49 $\frac{1}{2}$	25.70	25.95
25	3 17 6	- " -	4 10 $\frac{3}{4}$	4 8 $\frac{3}{4}$	37. 11	49 $\frac{1}{4}$	25.80	26.10
Aug. - 1	3 17 6	- " -	4 10 $\frac{3}{4}$	4 8 $\frac{3}{4}$	37. 11	49	25.80	26.10
8	3 17 6	- " -	- no price -	4 9	37. 11	49	25.80	26. 5
15	3 17 6	- " -	- " -	4 9	37. 11	49 $\frac{3}{4}$	25.80	26. 5
22	3 17 6	- " -	- " -	- no price -	37. 11	49 $\frac{3}{4}$	25.80	26. 5
29	3 17 6	- " -	4 10 $\frac{3}{4}$	4 8 $\frac{3}{4}$	37. 9	49 $\frac{3}{4}$	25.75	26. -
Sept. - 5	3 17 6	- " -	4 10 $\frac{3}{4}$	4 8 $\frac{3}{4}$	37. 6	49 $\frac{3}{4}$	25.75	26. -
12	3 17 6	- " -	4 11	4 9	37. 8	49 $\frac{1}{2}$	25.75	26. -
19	3 17 6	- " -	- no price -	4 9	37. 8	49 $\frac{1}{2}$	25.75	26. -
26	3 17 6	- " -	- " -	4 9	37. 7	49 $\frac{1}{2}$	25.70	25.95
Oct. - 3	3 17 6	- " -	4 11	4 9	37. 6	48 $\frac{3}{4}$	25.70	25.95
10	3 17 6	- " -	4 11	4 9	37. 6	48 $\frac{1}{2}$	25.65	25.90
17	3 17 6	- " -	- no price -	- no price -	37. 6	48 $\frac{1}{2}$	25.65	25.90
24	3 17 6	- " -	- " -	- " -	37. 8	48 $\frac{1}{4}$	25.75	26. -
31	3 17 6	- " -	- " -	4 8 $\frac{3}{4}$	37. 8	48 $\frac{1}{4}$	25.75	26. -
Nov. - 7	3 17 6	- " -	- " -	4 9	37. 7	48 $\frac{1}{2}$	25.75	26. -
14	3 17 6	- " -	- " -	4 9	37. 6	48 $\frac{1}{2}$	25.65	25.90
21	3 17 6	- " -	- " -	4 9 $\frac{1}{4}$	37. 4	48 $\frac{3}{4}$	25.60	25.85
28	3 17 6	- " -	- " -	4 9 $\frac{1}{4}$	37. 3	48 $\frac{3}{4}$	25.60	25.85

COMMITTEE ON BANK OF ENGLAND CHARTER.

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DATE.	GOLD in Bars.	PORTUGAL GOLD COIN.	SILVER in Bars.	SPANISH DOLLARS.	HAM- BURGH.	LISBON.	PARIS, 3 Days' Sight.	PARIS, 2 Usances
1826:	£. s. d.		s. d.	s. d.				
Dec. - 5	3 17 6	- no price -	- no price -	4 9 $\frac{1}{4}$	37. 4	48 $\frac{3}{4}$	25.60	25.85
12	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 4	48 $\frac{3}{4}$	25.60	25.85
19	3 17 6	- " -	- no price -	4 9 $\frac{1}{4}$	37. 4	50	25.60	25.85
26	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 4	50	25.60	25.85
1827:								
Jan. - 2	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 4	50	25.60	25.85
9	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 3	50	25.60	25.85
16	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 3	50	25.60	25.85
23	3 17 6	- " -	- no price -	- no price -	37. 3	50	25.60	25.85
30	3 17 6	- " -	- " -	4 9 $\frac{1}{4}$	37. 3	50 $\frac{1}{2}$	25.60	25.85
Feb. - 6	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 3	51 $\frac{1}{4}$	25.60	25.85
13	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 3	51 $\frac{1}{4}$	25.60	25.85
20	3 17 6	- " -	- no price -	- no price -	37. 3	51	25.55	25.80
27	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 3	50 $\frac{1}{4}$	25.55	25.80
Mar. - 6	3 17 6	- " -	- no price -	- no price -	37. 2	50 $\frac{1}{4}$	25.55	25.80
13	3 17 6	- " -	- " -	4 9 $\frac{1}{2}$	37. 4	50 $\frac{1}{4}$	25.55	25.80
20	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 4	50	25.55	25.80
27	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 4	49 $\frac{3}{4}$	25.55	25.80
April - 3	3 17 6	- " -	- no price -	4 9 $\frac{1}{4}$	37. 6	49 $\frac{3}{4}$	25.60	25.85
10	3 17 6	- " -	- " -	4 9 $\frac{1}{4}$	37. 6	49 $\frac{3}{4}$	25.55	25.80
17	3 17 6	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{1}{2}$	37. 5	49 $\frac{3}{4}$	25.55	25.80
24	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 5	49 $\frac{3}{4}$	25.55	25.80
May - 1	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 5	49 $\frac{3}{4}$	25.55	25.80
8	3 17 6	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{4}$	37. 5	49 $\frac{3}{4}$	25.55	25.80
15	3 17 6	- " -	- no price -	4 9 $\frac{1}{2}$	37. 5	49 $\frac{3}{4}$	25.55	25.80
22	3 17 6	- " -	- " -	4 9 $\frac{1}{2}$	37. 5	49 $\frac{3}{4}$	25.55	25.80
29	3 17 6	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{1}{2}$	37. 4	49 $\frac{3}{4}$	25.55	25.80
June - 5	3 17 6	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{1}{2}$	37. 3	49 $\frac{1}{4}$	25.55	25.80
12	3 17 6	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{1}{2}$	37. 2	49 $\frac{1}{4}$	25.55	25.80
19	3 17 6	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{1}{2}$	37. 2	49 $\frac{1}{4}$	25.55	25.80
26	3 17 6	- " -	- no price -	- no price -	37. 2	49 $\frac{1}{4}$	25.55	25.80
July - 3	3 17 6	- " -	- " -	4 9 $\frac{5}{8}$	37. 2	49	25.55	25.80
10	3 17 6	- " -	- " -	4 9 $\frac{5}{8}$	37. 2	49	25.55	25.80
17	3 17 6	- " -	- " -	4 9 $\frac{1}{2}$	37. 1	49	25.55	25.80
24	3 17 6	- " -	- " -	- no price -	37. -	49	25.45	25.70
31	3 17 6	- " -	- " -	4 9 $\frac{5}{8}$	37. 1	49	25.45	25.70
Aug. - 7	3 17 6	- " -	- " -	4 9 $\frac{3}{4}$	37. 1	49	25.45	25.70
14	3 17 6	- " -	- " -	4 9 $\frac{3}{4}$	37. -	49	25.45	25.70
21	3 17 6	- " -	- " -	4 10	36. 10	49	25.40	25.65
28	3 17 6	- " -	- " -	- no price -	36. 11	48 $\frac{3}{4}$	25.40	25.65
Sept. - 4	3 17 6	- " -	- " -	4 9 $\frac{7}{8}$	36. 11	48 $\frac{1}{2}$	25.40	25.65
11	3 17 6	- " -	- " -	4 9 $\frac{7}{8}$	36. 10	48 $\frac{1}{2}$	25.40	25.65
18	3 17 6	- " -	5 - $\frac{1}{4}$	4 9 $\frac{7}{8}$	36. 10	48 $\frac{1}{2}$	25.40	25.65
25	3 17 6	- " -	5 - $\frac{1}{4}$	4 9 $\frac{7}{8}$	36. 9	48 $\frac{1}{4}$	25.35	25.60
Oct. - 2	3 17 6	- " -	5 - $\frac{1}{4}$	4 9 $\frac{7}{8}$	36. 10	48	25.35	25.60
9	3 17 6	- " -	5 - $\frac{1}{8}$	4 9 $\frac{3}{4}$	36. 10	47 $\frac{1}{2}$	25.35	25.60
16	3 17 6	- " -	5 - $\frac{1}{8}$	4 9 $\frac{3}{4}$	36. 10	47 $\frac{1}{4}$	25.35	25.60
23	3 17 6	- " -	5 - $\frac{1}{8}$	4 9 $\frac{3}{4}$	36. 10	47 $\frac{1}{2}$	25.35	25.60
30	3 17 6	- " -	- no price -	4 9 $\frac{7}{8}$	36. 9	47 $\frac{3}{4}$	25.35	25.60
Nov. - 6	3 17 6	- " -	- " -	4 10	36. 9	47 $\frac{3}{4}$	25.35	25.60
13	3 17 6	- " -	- " -	- no price -	36. 8	47 $\frac{1}{4}$	25.35	25.60
20	3 17 6	- " -	- " -	4 10	36. 7	47 $\frac{1}{4}$	25.30	25.55
27	3 17 6	- " -	- " -	4 10	36. 7	47 $\frac{1}{2}$	25.30	25.55
Dec. - 4	3 17 6	- " -	- " -	4 10	36. 7	47 $\frac{1}{2}$	25.30	25.55
11	3 17 6	- " -	- " -	4 10 $\frac{1}{8}$	36. 5	47 $\frac{1}{4}$	25.25	25.50
18	3 17 6	- " -	- " -	- no price -	36. 3	46 $\frac{1}{2}$	25.25	25.50
24	3 17 6	- " -	- " -	4 10	36. 4	46 $\frac{1}{2}$	25.30	25.55
1828:								
Jan. - 1	3 17 6	- " -	- " -	4 10	36. 6	46 $\frac{1}{2}$	25.35	25.60
8	3 17 6	- " -	- " -	4 10	36. 6	46	25.35	25.60
15	3 17 6	- " -	- " -	4 10 $\frac{1}{8}$	13. 11	46	25.35	25.60
22	3 17 6	- " -	- " -	- no price -	13. 11 $\frac{1}{2}$	46 $\frac{1}{4}$	25.35	25.60
29	3 17 6	- " -	5 - $\frac{1}{2}$	4 10 $\frac{1}{4}$	13. 11	46 $\frac{3}{4}$	25.30	25.55
Feb. - 5	3 17 6	- " -	- no price -	4 10 $\frac{1}{8}$	13. 11	46 $\frac{1}{2}$	25.30	25.55
12	3 17 6	- " -	- " -	- no price -	13. 11 $\frac{1}{2}$	46 $\frac{1}{2}$	25.25	25.55
19	3 17 6	- " -	- " -	- " -	13. 12	46 $\frac{1}{2}$	25.25	25.55
26	3 17 6	- " -	- " -	4 10	13. 12	46 $\frac{1}{4}$	25.30	25.60

DATE.	GOLD in Bars.	PORTUGAL GOLD COIN.	SILVER in Bars.	SPANISH DOLLARS.	HAM- BURGH.	LISBON.	PARIS, 3 Days' Sight.	PARIS, 2 Usances.
1828:	£. s. d.		s. d.	s. d.	M.C.S. Banco.		c. f.	
Mar. - 4	3 17 6	- no price -	5 - $\frac{1}{4}$	4 10	13.11 $\frac{1}{4}$	46 $\frac{1}{4}$	25.30	25.60
11	3 17 6	- " -	- no price -	- no price -	13.11 $\frac{1}{4}$	46 $\frac{1}{4}$	25.30	25.60
18	3 17 6	- " -	- " -	4 10	13.11 $\frac{1}{4}$	46 $\frac{1}{4}$	25.30	25.60
25	3 17 6	- " -	- " -	no price -	13.11 $\frac{1}{2}$	46 $\frac{1}{4}$	25.30	25.60
April - 1	3 17 6	- " -	- " -	- " -	13.13	46	25.30	25.60
8	3 17 6	- " -	- " -	4 9 $\frac{5}{8}$	13.13	46	25.40	25.65
15	3 17 6	- " -	- " -	4 9 $\frac{5}{8}$	13.13 $\frac{3}{4}$	46	25.40	25.65
22	3 17 6	- " -	- " -	4 9 $\frac{5}{8}$	13.13 $\frac{1}{4}$	46	25.40	25.65
29	3 17 6	- " -	- " -	- no price -	13.13 $\frac{1}{4}$	46 $\frac{1}{4}$	25.40	25.65
May - 6	3 17 6	- " -	- " -	4 9 $\frac{5}{8}$	13.13	46 $\frac{1}{4}$	25.35	25.60
13	3 17 6	- " -	- no price -	4 9 $\frac{5}{8}$	13.13	46	25.35	25.60
20	3 17 6	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{5}{8}$	13.13	46	25.35	25.60
27	3 17 6	- " -	- no price -	4 9 $\frac{5}{8}$	13.13	45 $\frac{3}{4}$	25.35	25.60
June - 3	3 17 6	- " -	- " -	4 9 $\frac{5}{8}$	13.13	45 $\frac{3}{4}$	25.35	25.60
10	3 17 6	- " -	- " -	4 9 $\frac{5}{8}$	13.13 $\frac{1}{4}$	46	25.40	25.65
17	3 17 6	- " -	- " -	4 11 $\frac{5}{8}$	13.13 $\frac{1}{2}$	46 $\frac{1}{4}$	25.40	25.65
24	3 17 6	- " -	- " -	4 9 $\frac{5}{8}$	13.13 $\frac{1}{2}$	46	25.40	25.65
July - 1	3 17 6	- " -	4 11 $\frac{5}{8}$	4 9 $\frac{5}{8}$	13.13 $\frac{1}{2}$	46	25.40	25.65
8	3 17 6	- " -	- no price -	4 9 $\frac{5}{8}$	13.13 $\frac{1}{2}$	46	25.40	25.65
15	3 17 6	- " -	- " -	4 9 $\frac{5}{8}$	13.14	46	25.40	25.65
22	3 17 6	- " -	- " -	4 9 $\frac{5}{8}$	13.14	45 $\frac{3}{4}$	25.40	25.65
29	3 17 6	- " -	- " -	- no price -	13.14	45 $\frac{3}{4}$	25.40	25.65
Aug. - 5	3 17 6	- " -	- " -	4 9 $\frac{5}{8}$	13.14	45 $\frac{3}{4}$	25.40	25.65
12	3 17 6	- " -	- " -	4 9 $\frac{3}{4}$	13.14	45 $\frac{3}{4}$	25.35	25.60
19	3 17 6	- " -	- " -	4 9 $\frac{7}{8}$	13.14	45 $\frac{3}{4}$	25.35	25.60
26	3 17 6	- " -	- " -	4 11 $\frac{7}{8}$	13.14	45 $\frac{3}{4}$	25.35	25.60
Sept. - 2	3 17 6	- " -	- " -	4 11 $\frac{7}{8}$	13.14	45 $\frac{3}{4}$	25.35	25.60
9	3 17 6	- " -	- " -	4 9 $\frac{7}{8}$	13.14	45 $\frac{3}{4}$	25.40	25.60
16	3 17 6	- " -	- " -	4 9 $\frac{7}{8}$	13.14	45 $\frac{3}{4}$	25.40	25.60
23	3 17 6	- " -	- " -	4 9 $\frac{7}{8}$	13.14	46	25.40	25.60
30	3 17 6	- " -	- " -	4 9 $\frac{7}{8}$	13.14	46	25.40	25.60
Oct. - 7	3 17 9	- " -	- " -	4 9 $\frac{3}{4}$	13.13 $\frac{1}{2}$	46	25.40	25.60
14	3 17 9	- " -	4 11 $\frac{7}{8}$	4 9 $\frac{3}{4}$	13.13 $\frac{1}{2}$	46	25.35	25.55
21	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{7}{8}$	- no price -	13.12 $\frac{3}{4}$	45 $\frac{3}{4}$	25.35	25.55
28	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{7}{8}$	4 9 $\frac{7}{8}$	13.12	45 $\frac{3}{4}$	25.35	25.55
Nov. - 4	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{7}{8}$	4 9 $\frac{7}{8}$	13.12 $\frac{1}{4}$	46	25.40	25.60
11	- no price -	- " -	4 11 $\frac{7}{8}$	4 9 $\frac{7}{8}$	13.12 $\frac{1}{2}$	46	25.40	25.60
18	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{7}{8}$	4 9 $\frac{7}{8}$	13.13	46	25.40	25.60
25	- no price -	- " -	- no price -	4 9 $\frac{7}{8}$	13.13	46	25.40	25.60
Dec. - 2	3 17 9	- " -	- " -	4 9 $\frac{5}{8}$	13.13 $\frac{1}{2}$	46	25.45	25.65
9	3 17 9	- " -	- " -	4 9 $\frac{5}{8}$	13.13 $\frac{1}{2}$	45 $\frac{3}{4}$	25.45	25.65
16	3 17 9	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{5}{8}$	13.13 $\frac{1}{4}$	45 $\frac{3}{4}$	25.45	25.70
23	- no price -	- " -	- no price -	4 9 $\frac{3}{4}$	13.13	45 $\frac{3}{4}$	25.45	25.70
30	3 17 10 $\frac{1}{2}$	- " -	- " -	- no price -	13.11 $\frac{1}{2}$	45 $\frac{3}{4}$	25.35	25.60
1829:								
Jan. - 6	3 17 10 $\frac{1}{2}$	- " -	- " -	4 9 $\frac{7}{8}$	13.11 $\frac{1}{2}$	45 $\frac{3}{4}$	25.35	25.60
13	3 17 10 $\frac{1}{2}$	- " -	- " -	4 9 $\frac{7}{8}$	13.11 $\frac{1}{4}$	45 $\frac{3}{4}$	25.35	25.60
20	3 17 10 $\frac{1}{2}$	- " -	- " -	- no price -	13.12	45 $\frac{3}{4}$	25.35	25.60
27	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{7}{8}$	- " -	13.12	45 $\frac{3}{4}$	25.35	25.60
Feb. - 3	3 17 10 $\frac{1}{2}$	- " -	- no price -	4 9 $\frac{7}{8}$	13.12	45 $\frac{3}{4}$	25.35	25.60
10	3 17 10 $\frac{1}{2}$	- " -	- " -	4 9 $\frac{7}{8}$	13.12 $\frac{1}{2}$	45 $\frac{3}{4}$	25.40	25.65
17	3 17 10 $\frac{1}{2}$	- " -	- " -	4 9 $\frac{7}{8}$	13.12 $\frac{1}{2}$	45 $\frac{3}{4}$	25.40	25.65
24	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{7}{8}$	4 9 $\frac{3}{4}$	13.13	45 $\frac{3}{4}$	25.40	25.65
Mar. - 3	3 17 9	- " -	- no price -	- no price -	13.13	45 $\frac{3}{4}$	25.45	25.75
10	3 17 9	- " -	- " -	4 9 $\frac{5}{8}$	13.13 $\frac{1}{2}$	45 $\frac{3}{4}$	25.50	25.75
17	3 17 9	- " -	- " -	4 9 $\frac{5}{8}$	13.13 $\frac{1}{2}$	45 $\frac{3}{4}$	25.50	25.75
24	3 17 9	- " -	- " -	- no price -	13.14	45 $\frac{3}{4}$	25.55	25.80
31	3 17 9	- " -	4 11 $\frac{5}{8}$	4 9 $\frac{1}{2}$	13.14	45 $\frac{3}{4}$	25.55	25.80
April - 7	3 17 9	- " -	- no price -	4 9 $\frac{1}{2}$	13.14	45 $\frac{3}{4}$	25.55	25.80
14	3 17 9	- " -	4 11 $\frac{5}{8}$	4 9 $\frac{1}{2}$	13.14	45 $\frac{3}{4}$	25.55	25.80
21	3 17 9	- " -	4 11 $\frac{5}{8}$	4 9 $\frac{1}{2}$	13.14 $\frac{1}{2}$	45 $\frac{3}{4}$	25.60	25.85
28	3 17 9	- " -	- no price -	4 9 $\frac{1}{2}$	13.14 $\frac{1}{2}$	45 $\frac{3}{4}$	25.60	25.85
May - 5	3 17 9	- " -	4 11 $\frac{5}{8}$	4 9 $\frac{1}{2}$	13.14 $\frac{1}{2}$	45 $\frac{3}{4}$	25.60	25.85
12	3 17 9	- " -	- no price -	- no price -	13.14 $\frac{1}{2}$	45 $\frac{3}{4}$	25.60	25.85
19	3 17 9	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{3}{8}$	13.14 $\frac{1}{2}$	45 $\frac{3}{4}$	25.60	25.85
26	3 17 9	- " -	- no price -	- no price -	13.14 $\frac{1}{2}$	45 $\frac{3}{4}$	25.60	25.85

COMMITTEE ON BANK OF ENGLAND CHARTER.

[107]

D A T E.	G O L D in Bars.	PORTUGAL GOLD COIN.	SILVER in Bars.	SPANISH DOLLARS.	HAM- BURGH.	LISBON.	PARIS, 3 Days' Sight.	PARIS, 2 Usances.
1829:	£. s. d.		s. d.	s. d.	M. C. S. Banco.		c. f.	
June - 2	3 17 9	- no price -	- no price -	4 9 $\frac{3}{8}$	13. 14 $\frac{1}{2}$	45 $\frac{3}{4}$	25. 65	25. 85
9	3 17 9	- " -	- " -	4 9 $\frac{1}{2}$	13. 14 $\frac{1}{2}$	45 $\frac{3}{4}$	25. 65	25. 85
16	3 17 9	- " -	- " -	4 9 $\frac{1}{2}$	13. 14 $\frac{1}{2}$	45 $\frac{3}{4}$	25. 65	25. 85
23	3 17 9	- " -	- " -	4 9 $\frac{1}{2}$	13. 14 $\frac{1}{2}$	45 $\frac{3}{4}$	25. 65	25. 85
30	3 17 9	- " -	- " -	4 9 $\frac{3}{8}$	13. 14 $\frac{3}{4}$	45 $\frac{3}{4}$	25. 65	25. 85
July - 7	3 17 9	- " -	4 11 $\frac{3}{8}$	4 9 $\frac{1}{2}$	13. 15	45 $\frac{3}{4}$	25. 65	25. 90
14	3 17 9	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{2}$	13. 15	45 $\frac{3}{4}$	25. 65	25. 90
21	3 17 9	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{2}$	13. 15	45 $\frac{3}{4}$	25. 65	25. 90
28	3 17 9	- " -	- no price -	4 9 $\frac{1}{2}$	13. 15	45 $\frac{3}{4}$	25. 65	25. 90
August - 4	3 17 9	- " -	- " -	- no price -	13. 15	45 $\frac{3}{4}$	25. 70	25. 90
11	3 17 9	- " -	4 11 $\frac{3}{8}$	4 9 $\frac{1}{2}$	13. 15	45 $\frac{3}{4}$	25. 70	25. 90
18	3 17 9	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{3}{8}$	13. 15	45 $\frac{3}{4}$	25. 70	25. 90
25	3 17 9	- " -	4 11 $\frac{3}{8}$	4 9 $\frac{1}{2}$	13. 15	45 $\frac{3}{4}$	25. 70	25. 90
Sept. - 1	3 17 9	- " -	4 11 $\frac{5}{8}$	4 9 $\frac{1}{2}$	13. 14 $\frac{3}{4}$	45 $\frac{1}{2}$	25. 70	25. 90
8	3 17 9	- " -	- no price -	4 9 $\frac{1}{2}$	13. 15	45	25. 70	25. 90
15	3 17 9	- " -	- " -	- no price -	13. 15	45	25. 70	25. 90
22	3 17 9	- " -	4 11 $\frac{3}{8}$	4 9 $\frac{1}{2}$	14. -	45	25. 75	26. -
29	3 17 9	- " -	- no price -	4 9 $\frac{1}{2}$	14. -	45	25. 75	26. -
October 6	3 17 9	- " -	4 11 $\frac{3}{8}$	4 9 $\frac{1}{2}$	14. -	45	25. 75	26. -
13	3 17 9	- " -	- no price -	4 9 $\frac{1}{2}$	14. -	45	25. 75	26. -
20	3 17 9	- " -	4 11 $\frac{3}{8}$	4 9 $\frac{1}{2}$	14. -	45	25. 75	26. -
27	3 17 9	- " -	- no price -	4 9 $\frac{1}{2}$	13. 15 $\frac{1}{2}$	44	25. 75	26. -
Nov. - 3	3 17 9	- " -	4 11 $\frac{3}{8}$	4 9 $\frac{1}{2}$	13. 15 $\frac{1}{2}$	43	25. 80	26. 5
10	3 17 9	- " -	- no price -	4 9	13. 15 $\frac{1}{2}$	43	25. 80	26. 5
17	3 17 9	- " -	- " -	4 9	14. 1	43	25. 85	26. 10
24	3 17 9	- " -	4 11 $\frac{1}{2}$	- no price -	14. 1	43	25. 95	26. 20
Dec. - 1	3 17 9	- " -	- no price -	4 8 $\frac{7}{8}$	14. 1	43	25. 90	26. 15
8	3 17 9	- " -	- " -	4 8 $\frac{7}{8}$	14. -	43	25. 85	26. 5
15	3 17 9	- " -	- " -	4 9 $\frac{1}{2}$	13. 14	43	25. 75	25. 90
22	3 17 9	- " -	- " -	- no price -	14. -	43	25. 80	26. -
29	3 17 9	- " -	- " -	- " -	14. -	43	25. 80	26. -
1830:								
January 5	3 17 9	- " -	- " -	4 9	14. -	43	25. 85	26. 5
12	3 17 9	- " -	4 11 $\frac{1}{2}$	4 9	14. -	43 $\frac{1}{2}$	25. 80	26. 5
19	3 17 9	- " -	- no price -	4 9	14. -	43 $\frac{1}{2}$	25. 80	26. 5
26	3 17 9	- " -	- " -	4 9	14. 2	43 $\frac{1}{2}$	25. 80	26. 5
February 2	3 17 9	- " -	- " -	4 9	14. 2 $\frac{1}{2}$	43 $\frac{3}{4}$	25. 75	26. -
9	3 17 9	- " -	- " -	4 9	14. 2	43 $\frac{3}{4}$	25. 75	26. -
16	3 17 9	- " -	- " -	- no price -	14. 3	44	25. 80	26. 5
23	3 17 9	- " -	- " -	- " -	14. 3	44	25. 85	26. 10
March - 2	3 17 9	- " -	- " -	- " -	14. 3	44	25. 85	26. 10
9	3 17 9	- " -	4 11	4 8 $\frac{7}{8}$	14. 2	44 $\frac{1}{2}$	25. 85	26. 10
16	3 17 9	- " -	- no price -	- no price -	14. 3 $\frac{1}{2}$	44 $\frac{1}{2}$	25. 85	26. 10
23	3 17 9	- " -	- " -	4 8 $\frac{7}{8}$	14. 3 $\frac{1}{2}$	44	25. 85	26. 10
30	3 17 9	- " -	- " -	4 8 $\frac{7}{8}$	14. 3	44	25. 80	26. 5
April - 6	3 17 9	- " -	4 11	4 8 $\frac{7}{8}$	14. 3	44	25. 80	26. 5
13	3 17 9	- " -	- no price -	4 8 $\frac{7}{8}$	14. 2	44	25. 75	26. -
20	3 17 9	- " -	4 11	4 8 $\frac{7}{8}$	14. 2	44	25. 75	26. -
27	3 17 9	- " -	4 11	4 8 $\frac{7}{8}$	14. 2	44	25. 75	26. -
May - 4	3 17 9	- " -	4 11	4 9	14. 2	44	25. 75	26. -
11	3 17 9	- " -	- no price -	4 9	14. 1 $\frac{1}{2}$	44	25. 70	25. 90
18	3 17 9	- " -	- " -	4 9 $\frac{1}{2}$	14. 1	44	25. 65	25. 90
25	3 17 9	- " -	- " -	4 9 $\frac{1}{2}$	14. -	44	25. 60	25. 85
June - 1	3 17 9	- " -	- " -	4 9 $\frac{1}{2}$	14. -	44	25. 55	25. 80
8	3 17 9	- " -	- " -	- no price -	14. -	44	25. 55	25. 80
15	3 17 9	- " -	- " -	4 9 $\frac{1}{2}$	14. 1	44	25. 65	25. 90
22	3 17 9	- " -	- " -	- no price -	14. 1 $\frac{1}{2}$	44	25. 70	25. 90
29	3 17 9	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{2}$	14. 1 $\frac{1}{2}$	44	25. 65	25. 90
July - 6	3 17 9	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{1}{2}$	14. 1	44	25. 65	25. 90
13	3 17 9	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{3}{8}$	14. -	44	25. 60	25. 85
20	3 17 9	- " -	4 11 $\frac{3}{8}$	4 9 $\frac{1}{2}$	14. -	45	25. 60	25. 85
27	3 17 9	- " -	- no price -	- no price -	14. -	45 $\frac{3}{4}$	25. 55	25. 80
August 1	3 17 9	- " -	- " -	- " -	14. -	45 $\frac{1}{2}$	25. 65	25. 85
10	3 17 9	- " -	- " -	- " -	14. -	45	25. 55	25. 80
17	3 17 10 $\frac{1}{2}$	- " -	- " -	4 9 $\frac{7}{8}$	13. 15	45	25. 50	25. 75
24	- no price -	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{7}{8}$	13. 14 $\frac{1}{2}$	45	25. 50	25. 75
31	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{7}{8}$	13. 14 $\frac{1}{2}$	44 $\frac{1}{2}$	25. 50	25. 75

D A T E.	G O L D in Bars.	PORTUGAL GOLD COIN.	S I L V E R in Bars.	SPANISH DOLLARS.	HAM- BURGH.	LISBON.	PARIS, 3 Days' Sight.	PARIS, 2 Usances.
1830:	£. s. d.		s. d.	s. d.				
Sept. - 7	3 17 10 $\frac{1}{2}$	- no price -	4 11 $\frac{3}{4}$	4 9 $\frac{7}{8}$	13. 14 $\frac{1}{2}$	44 $\frac{1}{2}$	25.50	25.75
14	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{7}{8}$	13. 14	44 $\frac{1}{2}$	25.50	25.75
21	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{7}{8}$	13. 13 $\frac{1}{2}$	44 $\frac{1}{2}$	25.60	25.85
28	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{7}{8}$	13. 13	44 $\frac{1}{2}$	25.55	25.80
Oct. - 5	3 17 10 $\frac{1}{2}$	- " -	- no price -	4 9 $\frac{7}{8}$	13. 13 $\frac{1}{2}$	44 $\frac{1}{2}$	25.50	25.80
12	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{7}{8}$	13. 13	44 $\frac{1}{2}$	25.45	25.75
19	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{7}{8}$	13. 13	44 $\frac{1}{2}$	25.35	25.60
26	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{7}{8}$	13. 14	44 $\frac{1}{2}$	25.35	25.60
Nov. - 2	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{7}{8}$	13. 14	44 $\frac{1}{2}$	25.35	25.60
9	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{3}{4}$	4 9 $\frac{7}{8}$	13. 14	44 $\frac{1}{2}$	25.35	25.65
16	3 17 9	- " -	- no price -	4 9 $\frac{7}{8}$	13. 14	44 $\frac{3}{4}$	25.25	25.60
23	3 17 9	- " -	- " -	4 9 $\frac{7}{8}$	13. 14	44 $\frac{3}{4}$	25.25	25.60
30	3 17 9	- " -	- " -	- no price -	13. 13 $\frac{1}{4}$	44 $\frac{3}{4}$	25.30	25.65
Dec. - 7	3 17 9	- " -	- " -	4 9 $\frac{5}{8}$	13. 13	44 $\frac{3}{4}$	25.35	25.65
14	3 17 9	- " -	- " -	4 9 $\frac{5}{8}$	13. 13	44 $\frac{3}{4}$	25.35	25.65
21	3 17 9	- " -	4 9 $\frac{5}{8}$	- no price -	13. 13	45	25.35	25.65
28	3 17 9	- " -	4 11 $\frac{3}{8}$	- " -	13. 13	45	25.30	25.60
1831:								
January 4	3 17 9	- " -	- no price -	4 9 $\frac{5}{8}$	13. 12 $\frac{1}{2}$	45 $\frac{1}{4}$	25.30	25.60
11	3 17 9	- " -	4 11 $\frac{1}{2}$	4 9 $\frac{5}{8}$	13. 12	45 $\frac{1}{2}$	25.30	25.60
18	3 17 10 $\frac{1}{2}$	- " -	- no price -	4 9 $\frac{7}{8}$	13. 12	45 $\frac{3}{4}$	25.30	25.60
25	3 17 10 $\frac{1}{2}$	- " -	- " -	- no price -	13. 12	46	25.30	25.55
February 1	3 17 10 $\frac{1}{2}$	- " -	- " -	4 10	13. 12	46	25.25	25.55
8	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{7}{8}$	- no price -	13. 12	46	25.20	25.50
15	3 17 10 $\frac{1}{2}$	- " -	- no price -	4 10	13. 11 $\frac{1}{2}$	46	25.20	25.50
22	3 17 10 $\frac{1}{2}$	- " -	- " -	- no price -	13. 11	46	25.20	25.50
March - 1	3 17 10 $\frac{1}{2}$	- " -	- " -	- " -	13. 11	46	25.20	25.50
8	3 17 10 $\frac{1}{2}$	- " -	- " -	- " -	13. 12	46	25.20	25.50
15	3 17 10 $\frac{1}{2}$	- " -	- " -	4 10	13. 13	46	25.20	25.50
22	3 17 10 $\frac{1}{2}$	- " -	- " -	- no price -	13. 13	46 $\frac{1}{4}$	25.20	25.55
29	3 17 10 $\frac{1}{2}$	- " -	- " -	4 10	13. 13	46 $\frac{1}{4}$	25.20	25.55
April - 5	3 17 10 $\frac{1}{2}$	- " -	- " -	4 9 $\frac{7}{8}$	13. 12 $\frac{1}{2}$	46 $\frac{1}{4}$	25.25	25.60
12	3 17 10 $\frac{1}{2}$	- " -	- " -	4 9 $\frac{7}{8}$	13. 11	46 $\frac{1}{2}$	25.25	25.60
19	3 17 10 $\frac{1}{2}$	- " -	- " -	4 9 $\frac{7}{8}$	13. 11	46 $\frac{3}{4}$	25.20	25.50
26	3 17 10 $\frac{1}{2}$	- " -	- " -	- no price -	13. 11 $\frac{1}{2}$	46 $\frac{3}{4}$	25.20	25.50
May - 3	3 17 10 $\frac{1}{2}$	- " -	- " -	4 9 $\frac{7}{8}$	13. 12 $\frac{1}{2}$	46 $\frac{1}{2}$	25.20	25.50
10	3 17 10 $\frac{1}{2}$	- " -	- " -	4 9 $\frac{7}{8}$	13. 2	46 $\frac{1}{2}$	25.20	25.50
17	3 17 10 $\frac{1}{2}$	- " -	- " -	- no price -	13. 12	46 $\frac{1}{2}$	25.20	25.50
24	3 17 10 $\frac{1}{2}$	- " -	- " -	4 9 $\frac{3}{4}$	13. 12	46 $\frac{3}{4}$	25.20	25.50
31	3 17 10 $\frac{1}{2}$	- " -	- " -	4 9 $\frac{3}{4}$	13. 12	46 $\frac{3}{4}$	25.25	25.55
June - 7	3 17 10 $\frac{1}{2}$	- " -	- " -	4 9 $\frac{3}{4}$	13. 12 $\frac{1}{2}$	46 $\frac{3}{4}$	25.25	25.55
14	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{7}{8}$	4 9 $\frac{7}{8}$	13. 12	46 $\frac{3}{4}$	25.20	25.50
21	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{7}{8}$	4 10	13. 12	47	25.20	25.45
28	3 17 10 $\frac{1}{2}$	- " -	- no price -	4 10	13. 12	47	25.20	25.45
July - 5	3 17 10 $\frac{1}{2}$	- " -	- " -	- no price -	13. 12	47	25.20	25.45
12	3 17 10 $\frac{1}{2}$	- " -	4 11 $\frac{7}{8}$	4 10	13. 12 $\frac{1}{2}$	47	25.20	25.45
19	3 17 10 $\frac{1}{2}$	- " -	- no price -	4 10	13. 12 $\frac{1}{2}$	47	25.20	25.45
26	3 17 10 $\frac{1}{2}$	- " -	5 -	4 10	13. 12 $\frac{1}{2}$	47 $\frac{1}{4}$	25.20	25.45
August - 2	3 17 10 $\frac{1}{2}$	- " -	5 -	- no price -	13. 12	47	25.20	25.45
9	3 17 10 $\frac{1}{2}$	- " -	5 -	4 10	13. 12	46 $\frac{3}{4}$	25.20	25.45
16	3 17 10 $\frac{1}{2}$	- " -	5 -	4 10	13. 11 $\frac{1}{2}$	46 $\frac{1}{2}$	25.20	25.45
23	3 17 10 $\frac{1}{2}$	- " -	5 -	4 10 $\frac{1}{8}$	13. 11	46 $\frac{1}{2}$	25.20	25.45
30	3 17 10 $\frac{1}{2}$	- " -	5 -	4 10 $\frac{1}{8}$	13. 11	46 $\frac{1}{2}$	25.20	25.45
Sept. - 6	3 17 10 $\frac{1}{2}$	- " -	- no price -	4 10 $\frac{1}{8}$	13. 11 $\frac{1}{2}$	47	25.20	25.45
13	3 17 10 $\frac{1}{2}$	- " -	- " -	4 10 $\frac{1}{8}$	13. 11 $\frac{1}{2}$	47 $\frac{1}{4}$	25.20	25.45
20	3 17 10 $\frac{1}{2}$	- " -	- " -	4 10 $\frac{1}{8}$	13. 11 $\frac{1}{2}$	47 $\frac{1}{2}$	25.20	25.45
27	3 17 10 $\frac{1}{2}$	- " -	- " -	- no price -	13. 11 $\frac{1}{2}$	47 $\frac{1}{4}$	25.20	25.45
Oct. - 4	3 17 10 $\frac{1}{2}$	- " -	5 - $\frac{1}{8}$	4 10 $\frac{1}{4}$	13. 11 $\frac{1}{2}$	47	25.25	25.50
11	3 17 9	- " -	- no price -	- no price -	13. 11 $\frac{1}{2}$	47	25.25	25.50
18	3 17 9	- " -	4 11 $\frac{7}{8}$	4 10	13. 12	47	25.25	25.55
25	3 17 9	- " -	4 11 $\frac{7}{8}$	4 10	13. 12	47	25.25	25.55

DATE.	GOLD in Bars.	PORTUGAL GOLD COIN.	SILVER in Bars.	SPANISH DOLLARS.	HAM- BURGH.	LISBON.	PARIS, 3 Days' Sight.	PARIS, 2 Usances.
1831:	£. s. d.		s. d.	s. d.				
Nov. - 1	3 17 9	- no price -	- no price -	4 10 $\frac{1}{8}$	13. 12	47	25. 25	25. 55
8	3 17 10 $\frac{1}{2}$	- " -	- 5 -	4 10 $\frac{1}{8}$	13. 12	47	25. 25	25. 55
15	3 17 10 $\frac{1}{2}$	- " -	- no price -	- no price -	13. 12	47 $\frac{1}{4}$	25. 30	25. 60
22	3 17 10 $\frac{1}{2}$	- " -	- " -	- " -	13. 12 $\frac{1}{2}$	47 $\frac{1}{4}$	25. 30	25. 60
29	3 17 10 $\frac{1}{2}$	- " -	- 4 11 $\frac{3}{4}$	4 9 $\frac{3}{4}$	13. 12 $\frac{1}{2}$	47 $\frac{1}{4}$	25. 30	25. 60
Dec. - 6	3 17 9	- " -	- no price -	4 9 $\frac{3}{4}$	13. 12 $\frac{1}{2}$	47 $\frac{1}{2}$	25. 35	25. 65
13	3 17 9	- " -	- " -	- no price -	13. 12 $\frac{1}{2}$	47 $\frac{3}{4}$	25. 35	25. 65
20	3 17 9	- " -	- " -	4 9 $\frac{1}{2}$	13. 12 $\frac{1}{2}$	47 $\frac{1}{2}$	25. 40	25. 70
27	3 17 9	- " -	- " -	4 9 $\frac{1}{2}$	13. 12 $\frac{1}{2}$	47 $\frac{1}{2}$	25. 40	25. 70
1832:								
Jan. - 3	3 17 10 $\frac{1}{2}$	- " -	- " -	4 9 $\frac{1}{2}$	13. 12	47 $\frac{1}{2}$	25. 40	25. 70
10	3 17 10 $\frac{1}{2}$	- " -	- " -	4 11 $\frac{1}{2}$	13. 12	47 $\frac{1}{2}$	25. 45	25. 75
17	3 17 10 $\frac{1}{2}$	- " -	- " -	4 9 $\frac{1}{2}$	13. 12	47 $\frac{1}{2}$	25. 45	25. 70
24	3 17 10 $\frac{1}{2}$	- " -	- " -	4 9 $\frac{1}{2}$	13. 12	47 $\frac{1}{4}$	25. 45	25. 70
31	3 17 10 $\frac{1}{2}$	- " -	- 4 11 $\frac{3}{4}$	4 9 $\frac{3}{4}$	13. 12	47 $\frac{1}{2}$	25. 40	25. 70
February 7	3 17 10 $\frac{1}{2}$	- " -	- no price -	4 9 $\frac{3}{4}$	13. 12	47 $\frac{3}{4}$	25. 40	25. 70
14	3 17 10 $\frac{1}{2}$	- " -	- " -	- no price -	13. 13	48	25. 45	25. 75
21	3 17 9	- " -	- " -	- " -	13. 14 $\frac{1}{2}$	48 $\frac{1}{2}$	25. 55	25. 85
28	3 17 10 $\frac{1}{2}$	- " -	- " -	4 9 $\frac{1}{2}$	13. 15	48 $\frac{1}{2}$	25. 60	25. 90
March - 6	3 17 9	- " -	- 4 11 $\frac{1}{4}$	4 9 $\frac{1}{4}$	13. 14 $\frac{3}{4}$	48	25. 60	25. 85
13	3 17 9	- " -	- no price -	- no price -	13. 15 $\frac{1}{2}$	47 $\frac{3}{4}$	25. 65	25. 90
20	3 17 9	- " -	- " -	4 9 $\frac{1}{2}$	13. 14	47 $\frac{3}{4}$	25. 65	25. 90
27	3 17 9	- " -	- " -	- no price -	13. 14 $\frac{1}{2}$	47 $\frac{3}{4}$	25. 70	25. 95
April - 3	3 17 9	- " -	- 4 11	4 9 $\frac{1}{2}$	14. -	47 $\frac{3}{4}$	25. 85	26. 10
10	3 17 9	- " -	- no price -	- no price -	14. 1	47 $\frac{3}{4}$	25. 80	26. 5
17	3 17 9	- " -	- " -	- " -	14. 1	47 $\frac{3}{4}$	25. 85	26. 5
24	3 17 9	- " -	- " -	4 9	14. 1	47 $\frac{1}{2}$	25. 85	26. 5
May - 1	3 17 9	- " -	- 4 10 $\frac{7}{8}$	4 9	14. -	47 $\frac{1}{4}$	25. 90	26. 5
8	3 17 9	- " -	- 4 10 $\frac{7}{8}$	4 9	14. -	47	25. 90	26. 5
15	3 17 9	- " -	- 4 10 $\frac{3}{4}$	4 8 $\frac{7}{8}$	14. -	47	25. 90	26. 5
22	3 17 9	- " -	- no price -	4 8 $\frac{7}{8}$	14. 1	47	25. 90	26. 5
29	3 17 9	- " -	- 4 10 $\frac{3}{4}$	4 8 $\frac{7}{8}$	14. 1	47	25. 90	26. 10
June - 5	3 17 9	- " -	- 4 10 $\frac{3}{4}$	4 8 $\frac{7}{8}$	14. - $\frac{1}{2}$	47	25. 90	26. 10
12	3 17 9	- " -	- no price -	4 8 $\frac{7}{8}$	14. - $\frac{1}{2}$	47	25. 95	26. 20
19	3 17 9	- " -	- " -	4 8 $\frac{7}{8}$	14. 1	47	25. 95	26. 25

THE foregoing Prices and Rates are extracted from Wetenhall's (formerly Castaign's) Lists, the Bank not being in possession of any other Documents from which they can give the Prices of Gold and Silver, and the courses of Exchange, as required by the Order.

Bank of England, }
25 June 1832. }

Will^m Smee,
Chief Acct.

Appendix, No. 97.

AN ACCOUNT of the RATE of the EXCHANGE on *Paris*, on the first Post-day in every Month, since the Year 1820, and the Premium on Gold at *Paris* at the same time.

		Exchange in London at 3 Months Date.			AT PARIS.			Exchange in London at 3 Months Date.			AT PARIS.
1820:		f. c.	1820:		p ^r o/oo	1824:		f. c.	1824:		p ^r o/oo
Jan.	4	25 15	Jan.	—	Pr ^m on Gold	Jan.	2	25 72 $\frac{1}{2}$	Jan.	3	Pr ^m on Gold f. 6 75
Feb.	1	25 22 $\frac{1}{2}$	Feb.	—	These cannot be obtained.	Feb.	3	25 70	Feb.	2	" 5 50
Mar.	3	25 32 $\frac{1}{2}$	Mar.	—		Mar.	2	25 70	Mar.	4	" 5 —
April	4	25 50	April	—		April	2	25 75	April	2	" 8 —
May	2	25 67 $\frac{1}{2}$	May	—		May	4	25 57 $\frac{1}{2}$	May	3	" 2 50
June	2	25 80	June	—		June	1	25 60	June	3	" 5 —
July	4	25 82 $\frac{1}{2}$	July	—		July	2	25 62 $\frac{1}{2}$	July	3	" 5 —
Aug.	1	25 82 $\frac{1}{2}$	Aug.	—		Aug.	3	25 40	Aug.	3	" 3 50
Sept.	1	25 87 $\frac{1}{2}$	Sept.	25	" f. 7 50	Sept.	3	25 40	Sept.	3	" 2 —
Oct.	3	25 92 $\frac{1}{2}$	Oct.	2	" 9 —	Oct.	1	25 50	Oct.	2	" 2 —
Nov.	3	25 85	Nov.	2	" 7 —	Nov.	2	25 40	Nov.	2	" 2 —
Dec.	1	25 85	Dec.	1	" 3 50	Dec.	3	25 35	Dec.	4	" 1 —
1821:			1821:			1825:			1825:		
Jan.	2	25 90	Jan.	2	" 5 —	Jan.	4	25 32 $\frac{1}{2}$	Jan.	4	" 1 —
Feb.	2	25 85	Feb.	2	" 9 —	Feb.	1	25 35	Feb.	3	" 1 —
Mar.	2	25 87 $\frac{1}{2}$	Mar.	1	" 7 50	Mar.	4	25 32 $\frac{1}{2}$	Mar.	3	" 2 —
April	3	25 90	April	3	" 7 50	April	1	25 35	April	2	" 2 —
May	1	25 95	May	2	" 9 —	May	3	25 35	May	3	" — 7 $\frac{5}{100}$
June	1	26 —	June	3	" 13 —	June	3	25 32 $\frac{1}{2}$	June	4	" 2 —
July	3	26 05	July	3	" 13 —	July	1	25 35	July	4	" 3 50
Aug.	3	25 75	Aug.	3	" 5 —	Aug.	2	25 35	Aug.	4	" 1 50
Sept.	4	25 85	Sept.	4	" 7 —	Sept.	2	25 37 $\frac{1}{2}$	Sept.	4	" 1 50
Oct.	2	25 87 $\frac{1}{2}$	Oct.	3	" 8 50	Oct.	4	25 52 $\frac{1}{2}$	Oct.	3	" 1 50
Nov.	2	25 80	Nov.	6	" 5 50	Nov.	1	25 42 $\frac{1}{2}$	Nov.	5	" 1 50
Dec.	4	25 82 $\frac{1}{2}$	Dec.	3	" 7 50	Dec.	2	25 45	Dec.	2	" 2 —
1822:			1822:			1826:			1826:		
Jan.	1	25 80	Jan.	3	" 5 50	Jan.	3	25 52 $\frac{1}{2}$	Jan.	4	" 4 —
Feb.	1	25 60	Feb.	1	" 4 —	Feb.	3	25 62 $\frac{1}{2}$	Feb.	4	" 5 25
Mar.	1	25 55	Mar.	2	" 4 —	Mar.	3	25 80	Mar.	3	" 7 25
April	2	25 50	April	2	" 4 —	April	4	25 95	April	4	" 10 —
May	3	25 37 $\frac{1}{2}$	May	2	" 3 —	May	2	25 87 $\frac{1}{2}$	May	3	" 9 —
June	4	25 55	June	1	" 1 —	June	2	25 82 $\frac{1}{2}$	June	3	" 8 —
July	2	25 82 $\frac{1}{2}$	July	2	" 4 50	July	4	25 85	July	3	" 9 —
Aug.	2	25 70	Aug.	3	" 5 50	Aug.	1	25 90	Aug.	4	" 9 50
Sept.	3	25 77 $\frac{1}{2}$	Sept.	3	" 4 —	Sept.	1	25 90	Sept.	4	" 9 —
Oct.	1	25 85	Oct.	1	" 5 —	Oct.	3	25 85	Oct.	3	" 7 75
Nov.	1	25 72 $\frac{1}{2}$	Nov.	2	" 7 50	Nov.	3	25 87 $\frac{1}{2}$	Nov.	3	" 6 —
Dec.	3	25 72 $\frac{1}{2}$	Dec.	3	" 5 —	Dec.	1	25 75	Dec.	4	" 4 —
1823:			1823:			1827:			1827:		
Jan.	3	25 75	Jan.	2	" 3 50	Jan.	2	25 75	Jan.	4	" 3 75
Feb.	4	25 60	Feb.	1	" 4 —	Feb.	2	25 75	Feb.	4	" 4 —
Mar.	4	25 95	Mar.	1	" 4 75	Mar.	2	25 65	Mar.	3	" 4 —
April	1	25 92 $\frac{1}{2}$	April	1	" 7 —	April	3	25 75	April	4	" 5 —
May	2	25 95	May	1	" 9 50	May	1	25 70	May	3	" 5 —
June	3	26 —	June	2	" 14 —	June	1	25 70	June	1	" 5 —
July	1	25 90	July	2	" 11 —	July	3	25 67 $\frac{1}{2}$	July	3	" 4 —
Aug.	1	25 95	Aug.	2	" 12 —	Aug.	3	25 57 $\frac{1}{2}$	Aug.	3	" 2 75
Sept.	2	25 95	Sept.	2	" 10 —	Sept.	4	25 55	Sept.	6	" 2 75
Oct.	3	25 95	Oct.	2	" 11 —	Oct.	2	25 52 $\frac{1}{2}$	Oct.	3	" 3 —
Nov.	4	25 85	Nov.	4	" 8 —	Nov.	2	25 50	Nov.	4	" 1 50
Dec.	2	25 80	Dec.	4	" 7 50	Dec.	4	25 40	Dec.	4	" 2 —

Appendix, No. 97.—An Account of the Rate of the Exchange on *Paris*—continued.

—	Exchange in London at 3 Months Date.	—	AT PARIS.	—	Exchange in London at 3 Months Date.	—	AT PARIS.
1828:	f. c.	1828:	p ^r o/oo	1830:	f. c.	1830:	p ^r o/oo
Jan. 1	25 50	Jan. 4	Pr ^m on Gold f.1 75	Jan. 1	25 97 $\frac{1}{2}$	Jan. 4	Pr ^m on Gold f.10 —
Feb. 1	25 42 $\frac{1}{2}$	Feb. 4	" 1 75	Feb. 2	25 87 $\frac{1}{2}$	Feb. 4	" 13 —
Mar. 4	25 45	Mar. 3	" 2 —	Mar. 2	26 —	Mar. 2	" 16 50
April 1	25 52 $\frac{1}{2}$	April 5	" 2 50	April 2	25 95	April 2	" 12 75
May 2	25 50	May 4	" 2 50	May 4	25 85	May 6	" 10 50
June 3	25 52 $\frac{1}{2}$	June 4	" 3 —	June 1	25 70	June 5	" 9 —
July 1	25 55	July 4	" 3 50	July 2	25 77 $\frac{1}{2}$	July 6	" 10 —
Aug. 1	25 52 $\frac{1}{2}$	Aug. 4	" 4 —	Aug. 3	25 67 $\frac{1}{2}$	Aug. 5	" 10 —
Sept. 2	25 47 $\frac{1}{2}$	Sept. 3	" 6 50	Sept. 3	25 65	Sept. 3	" 7 50
Oct. 3	25 50	Oct. 3	" 7 50	Oct. 1	25 65	Oct. 5	" 4 —
Nov. 4	25 52 $\frac{1}{2}$	Nov. 5	" 8 —	Nov. 2	25 60	Nov. 4	" 7 —
Dec. 2	25 55	Dec. 5	" 4 —	Dec. 3	25 60	Dec. 4	" 8 —
1829:		1829:		1831:		1831:	
Jan. 2	25 50	Jan. 3	" f.8 50	Jan. 4	25 45	Jan. 4	" 3 —
Feb. 3	25 55	Feb. 4	" 6 50	Feb. 1	25 37 $\frac{1}{2}$	Feb. 4	" 6 —
Mar. 3	25 65	Mar. 4	" 6 50	Mar. 1	25 37 $\frac{1}{2}$	Mar. 4	" 12 50
April 3	25 70	April 4	" 8 25	April 1	25 47 $\frac{1}{2}$	April 4	" 11 —
May 1	25 72 $\frac{1}{2}$	May 4	" 7 75	May 3	25 37 $\frac{1}{2}$	May 2	" 4 —
June 2	25 77 $\frac{1}{2}$	June 3	" 13 —	June 3	25 40	June 5	" 6 —
July 3	25 85	July 4	" 13 —	July 1	25 37 $\frac{1}{2}$	July 4	" 6 50
Aug. 4	25 82 $\frac{1}{2}$	Aug. 6	" 11 75	Aug. 2	25 35	Aug. 4	" 7 —
Sept. 1	25 82 $\frac{1}{2}$	Sept. 3	" 9 50	Sept. 2	25 37 $\frac{1}{2}$	Sept. 5	" 4 —
Oct. 2	25 90	Oct. 2	" 14 —	Oct. 4	25 40	Oct. 5	" 3 —
Nov. 3	25 95	Nov. 2	" 16 25	Nov. 1	25 42 $\frac{1}{2}$	Nov. 4	" 1 75
Dec. 1	26 —	Dec. 2	" 15 50	Dec. 2	25 50	Dec. 5	" 3 75
—	Exchange in London at 3 Months Date.	—	AT PARIS.	—	Exchange in London at 3 Months Date.	—	AT PARIS.
1832:	f. c.	1832:	p ^r o/oo	1832:	f. c.	1832:	p ^r o/oo
January - 3	25 62 $\frac{1}{2}$	January - 4	Pr ^m on Gold f.7 —	January - 4	25 62 $\frac{1}{2}$	January - 4	Pr ^m on Gold f.7 —
February - 3	25 60	February - 3	" 5 —	February - 3	25 60	February - 3	" 5 —
March - 2	25 75	March - 2	" 10 —	March - 2	25 75	March - 2	" 10 —
April - 3	25 95	April - 4	" 13 50	April - 4	25 95	April - 4	" 13 50
May - 1	25 90	May - 4	" 15 50	May - 1	25 90	May - 4	" 15 50
June - 1	25 97 $\frac{1}{2}$	June - 6	" 17 —	June - 1	25 97 $\frac{1}{2}$	June - 6	" 17 —

Bank of England, }
9 June 1832. }T. Rippon,
Chief Cashier.

Appendix, No. 98.

AN ACCOUNT of the Number of LICENSES granted in each Year to COUNTRY BANKERS since the Year 1780.

Y E A R S	No. of Licenses granted.	Y E A R S	No. of Licenses granted.
From 11 Oct. 1808 to 10 Oct. 1809	702	From 11 Oct. 1820 to 10 Oct. 1821	781
From 11 Oct. 1809 to 10 Oct. 1810	782	From 11 Oct. 1821 to 10 Oct. 1822	776
From 11 Oct. 1810 to 10 Oct. 1811	779	From 11 Oct. 1822 to 10 Oct. 1823	779
From 11 Oct. 1811 to 10 Oct. 1812	825	From 11 Oct. 1823 to 10 Oct. 1824	788
From 11 Oct. 1812 to 10 Oct. 1813	922	From 11 Oct. 1824 to 10 Oct. 1825	797
From 11 Oct. 1813 to 10 Oct. 1814	940	From 11 Oct. 1825 to 10 Oct. 1826	809
From 11 Oct. 1814 to 10 Oct. 1815	916	From 11 Oct. 1826 to 10 Oct. 1827	668
From 11 Oct. 1815 to 10 Oct. 1816	831	From 11 Oct. 1827 to 10 Oct. 1828	672
From 11 Oct. 1816 to 10 Oct. 1817	752	From 11 Oct. 1828 to 10 Oct. 1829	677
From 11 Oct. 1817 to 10 Oct. 1818	765	From 11 Oct. 1829 to 10 Oct. 1830	671
From 11 Oct. 1818 to 10 Oct. 1819	787	From 11 Oct. 1830 to 10 Oct. 1831	641
From 11 Oct. 1819 to 10 Oct. 1820	769	From 11 Oct. 1831 to 26 June 1832	636

N. B.—No Licenses granted to Country Bankers prior to the Year 1808.

Stamp Office, Somerset Place, }
26 June 1832. }

Teesdale Cockell.

Appendix, No. 99.

AN ACCOUNT of the Amount of STAMP DUTY paid in each Year

DUTIES imposed by 44 Geo. III. c. 98.	Not exceeding £. 1. 1.			Exceeding £. 1. 1. and not exceeding £. 2. 2.			Exceeding £. 2. 2. and not exceeding £. 5. 5.			Exceeding £. 5. 5. and not exceeding £. 20.		
	3 d.			6 d.			9 d.			1 s.		
	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.
10 Oct. 1804 to 5 Jan. 1805	7,807	13	6	194	15	6	5,458	18	3	3,517	14	—
Year ended 5 Jan. - 1806	40,579	12	9	1,099	14	—	37,960	3	3	18,318	2	—
— - - - - 1807	29,964	17	3	1,624	16	6	24,257	17	—	11,589	3	—
— - - - - 1808	26,773	18	3	1,408	11	6	17,154	3	9	7,105	2	—
5 Jan. 1808 to 10 Oct. 1808	16,808	10	—	1,605	15	6	20,380	1	—	13,980	17	—
DUTIES imposed by 48 Geo. III. c. 149.	Not exceeding £. 1. 1.			Exceeding £. 1. 1. and not exceeding £. 2. 2.			Exceeding £. 2. 2. and not exceeding £. 5. 5.			Exceeding £. 5. 5. and not exceeding £. 20.		
	4 d.			8 d.			1 s.			1 s. 6 d.		
	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.
10 Oct. 1808 to 5 Jan. 1809	28,978	1	11	1,429	19	2	14,742	10	—	9,217	11	6
Year ended 5 Jan. - 1810	79,110	19	4	6,020	7	4	41,934	19	—	24,469	7	—
— - - - - 1811	48,018	19	4	3,175	19	4	30,977	2	—	16,402	2	6
— - - - - 1812	47,941	3	8	1,560	19	4	30,650	13	—	21,165	7	6
— - - - - 1813	50,162	8	—	1,500	11	4	42,143	11	—	25,142	5	—
— - - - - 1814	67,190	18	—	3,334	17	4	37,609	5	—	21,766	2	6
— - - - - 1815	56,694	8	8	2,093	9	4	27,479	3	—	16,764	10	6
5 Jan. 1815 to 10 Oct. 1815	21,420	12	8	723	13	4	11,958	17	—	6,053	14	—
DUTIES imposed by 55 Geo. III. c. 184.	Not exceeding £. 1. 1.			Exceeding £. 1. 1. and not exceeding £. 2. 2.			Exceeding £. 2. 2. and not exceeding £. 5. 5.			Exceeding £. 5. 5. and not exceeding £. 10.		
	5 d.			10 d.			1 s. 3 d.			1 s. 9 d.		
	£.	s.	d.	£.	s.	d.	£.	s.	d.	£.	s.	d.
10 Oct. 1815 to 5 Jan. 1816	27,951	17	6	666	4	2	14,417	1	3	4,281	11	—
Year ended 5 Jan. - 1817	38,701	5	10	975	13	4	28,714	11	3	12,249	6	—
— - - - - 1818	68,380	4	7	2,855	16	8	43,843	11	3	19,471	12	9
— - - - - 1819	73,655	15	5	2,566	15	—	46,597	13	9	19,712	—	—
— - - - - 1820	35,098	15	5	1,743	19	2	16,259	6	3	6,970	17	3
— - - - - 1821	34,600	10	—	925	4	2	12,635	16	3	4,312	—	—
— - - - - 1822	45,158	16	8	840	16	8	15,233	13	9	4,307	5	6
— - - - - 1823	38,615	16	3	487	10	—	16,200	16	3	5,515	6	—
— - - - - 1824	39,694	19	2	1,046	5	—	16,449	—	—	6,407	16	—
— - - - - 1825	51,028	3	9	895	16	8	27,157	—	—	11,392	3	—
— - - - - 1826	63,309	17	11	1,646	5	10	31,934	2	6	13,635	7	9
— - - - - 1827	—	—	—	—	—	—	8,725	3	9	3,972	8	3
— - - - - 1828	—	—	—	—	—	—	15,369	8	9	5,047	5	3
— - - - - 1829	—	—	—	—	—	—	23,544	17	6	5,106	3	—
— - - - - 1830	—	—	—	—	—	—	20,897	—	—	4,843	16	6
— - - - - 1831	—	—	—	—	—	—	16,881	15	—	4,285	6	3
— - - - - 1832	—	—	—	—	—	—	18,141	18	9	4,038	13	—

Note.— THE title above given is agreeable to the Order of the Committee, which cannot be complied with previous to the 10th October 1804, the Accounts of the Office prior to that period not distinguishing Stamps for Promissory Notes. The Composition paid by Country Bankers under the Act of 9 Geo. IV. includes, in most cases, the Duty on Bills of Exchange, as well as Promissory Notes; few of the Country Bankers distinguishing their Promissory Notes from their Bills of Exchange, they not being required by the Act so to do.

Appendix, No. 99.

by COUNTRY BANKS, showing the Rates of Duty in each Year since 1780.

Exceeding £. 20. and not exceeding £. 30. 3s.	Exceeding £. 30. and not exceeding £. 50. 4s. 6d.	Exceeding £. 50. and not exceeding £. 100. 7s. 6d.		
£. s. d.	£. s. d.	£. s. d.		
134 14 -	53 11 -	699 15 -		
244 1 -	107 2 -	318 15 -		
98 11 -	62 15 6	897 7 6		
118 4 -	46 2 6	458 12 6		
249 - -	58 14 6	304 17 6		
149 2 -	64 16 -	735 - -		
88 4 -	157 10 -	268 2 6		
27 3 -	106 8 6	26 5 -		

Exceeding £. 10. and not exceeding £. 20. 2s.	Exceeding £. 20. and not exceeding £. 30. 3s.	Exceeding £. 30. and not exceeding £. 50. 5s.	Exceeding £. 50. and not exceeding £. 100. 8s. 6d.	Composition in lieu of Stamp Duties, 7 Geo. IV. c. 46, and 9 Geo. IV. c. 23.
£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
1,186 8 -	64 16 -	10 - -	6 16 -	- - -
2,368 2 -	2 5 -	29 15 -	172 2 6	- - -
3,997 16 -	66 3 -	111 15 -	905 13 6	- - -
5,285 16 -	106 13 -	175 5 -	214 4 -	- - -
1,910 4 -	75 9 -	35 - -	235 17 6	- - -
715 - -	- - -	17 15 -	450 10 -	- - -
883 16 -	7 10 -	104 5 -	425 - -	- - -
1,015 12 -	15 - -	51 10 -	280 10 -	- - -
932 6 -	29 17 -	73 - -	421 12 -	- - -
1,878 18 -	2 2 -	132 - -	790 18 6	- - -
3,509 4 -	1 16 -	95 5 -	784 2 6	- - -
197 2 -	51 3 -	3 - -	159 7 6	- - -
693 6 -	- - -	23 15 -	88 8 -	- - -
1,184 18 -	- - -	140 - -	467 10 -	297 3 -
444 6 -	32 5 -	215 5 -	170 - -	1,966 6 11
370 10 -	32 5 -	153 15 -	17 - -	3,328 3 5
750 - -	- - -	75 - -	595 - -	2,414 14 4

Acc^t and Compt^r Gen^l's Office Stamps, }
25 June 1832.Tho' Lightfoot,
Acc^t Gen^l.

Appendix, No. 100.

AN ACCOUNT of the AMOUNT of STAMP DUTY on re-issuable Notes in *England and Wales*,
from the Year 1816 to 1831, both inclusive; distinguishing the Banks which compound for
their Notes.

	STAMP DUTIES.			Composition in lieu of Stamp Duties paid by the under-mentioned Banks.				STAMP DUTIES.			Composition in lieu of Stamp Duties paid by the under-mentioned Banks.		
	£.	s.	d.	£.	s.	d.		£.	s.	d.	£.	s.	d.
1816 - -	83,213	-	11	—			1824 - -	93,277	1	11	—		
1817 - -	139,632	2	9	—			1825 - -	114,916	1	6	—		
1818 - -	148,314	2	2	—			1826 - -	13,108	4	6	—		
1819 - -	62,329	8	7	—			1827 - -	21,222	3	-	—		
1820 - -	53,656	15	5	—			1828 - -	30,443	8	6	297	3	-
1821 - -	66,961	3	7	—			1829 - -	26,602	12	6	1,966	6	11
1822 - -	62,182	-	6	—			1830 - -	21,740	11	3	3,328	3	5
1823 - -	65,054	15	2	—			1831 - -	23,600	11	9	2,414	14	4

Acc^t & Compt^r Gen^l's Office, Stamps, }
30 June 1832.

Tho^t Lightfoot, A. & C. G.

The following are all the Banks which now compound for their Notes:

Abergavenny Old Bank.
Atherstone Bank.
Banbury Bank.
Banbury Old Bank.
Bank of Liverpool.
Bank of Manchester.
Bank of Newcastle.
Bath Old Bank.
Bath City Bank.
Bedfordshire, Leighton Buzzard Bank.
Birmingham Bank.
Birmingham Bank.
Birmingham Banking Company.
Bladud Bank, Bath.
Bradford Banking Company.
Brecon Old Bank.
Bridgnorth Bank, also Wenlock Bank.
Bridport Bank.
Brighthelmstone Bank.
Brighton Union Bank.
Burlington Bank.
Carlisle Bank.
Carmarthen Bank.
Cheltenham Bank.
Chepstow Bank.
Chippenham and Bath Bank.
Commercial Bank, Stockton.
Cumberland Union Banking Company.
Darlington District Joint Stock Banking Company.
Daventry Bank.
Devon County Bank.
Dorchester Bank.
Dowlas Bank, Glamorganshire.
Dover Bank.
Exeter Bank.
Exeter General Bank.

General Bank, Newton Abbott.
Glamorganshire Bank.
Gloucestershire Banking Company.
Halifax Bank.
Halifax Joint Stock Banking Company.
Hemel Hempstead Bank.
Hertfordshire, Hitchin, Bank.
Huddersfield Bank.
Huddersfield Banking Company.
Kendal Bank.
Kendal Bank.
Leicester & Leicestershire Bank.
Leith Banking Company.
Liverpool Bank.
Macclesfield and Cheshire Bank.
Manchester and Liverpool District Banking Company.
Margate Bank.
Monmouth Bank.
Neath Bank, Glamorganshire.
Newcastle Bank.
New Sarum Bank.
Newport, Shropshire, Bank.
Norfolk and Norwich Joint Stock Banking Company.
North Devon Bank.
North and South Shields Bank, also Newcastle and Shields Bank.
Nottingham Bank.
Pembrokeshire Bank, also Swansea Glamorganshire Bank.
Penrith Bank, Cumberland.
Petersfield and Hampshire Bank.
Plymouth and Devonport Banking Company.
Reigate, Croydon and Dorking Bank; also Reigate Bank.

Ripon New Bank; also Ripon Bank.
Romford Bank.
Ross Old Bank, Herefordshire; also Ross Bank, Herefordshire.
Saddleworth Bank.
St. Alban's Bank.
Sheffield Banking Company.
Sherborne and Dorsetshire Bank.
Southampton & Hampshire Bank.
Stamford and Spalding Banking Company.
Stuckey's Banking Company.
Sunderland Bank, also Durham Bank, also Darlington Bank.
Taunton and Somerset Bank.
Tewkesbury and Evesham Bank.
Tunbridge and Tunbridge Wells Old Bank; also Old Bank, Tunbridge; also Tunbridge, Tunbridge Wells and Seven-oaks Bank.
Uttoxeter Old Bank; also Uttoxeter Bank.
Walsall Old Bank.
Weymouth Old Bank.
Whitehaven Joint Stock Banking Company.
Wimborne, Poole and Blandford Bank; also Poole Old Bank; also Wareham and Isle of Purbeck General Bank.
Wolverhampton Bank.
Wolverhampton Bank; also Dudley Bank.
Wolverhampton & Staffordshire Banking Company.
Worcester Bank.
Wrexham Bank.
York City and County Banking Company.

Stamp Office, Somerset Place, }
30 June 1832.

Teesdale Cockell.

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Appendix, No. 101.

ABSTRACT RETURN of the NUMBER of COMMISSIONS of BANKRUPT issued against
COUNTRY BANKS, in each Year since the Year 1780.

1780 - - - None.		1799 :	
1781 :		February - - - - - 1	
January - - - - - 1		March - - - - - 2	
March - - - - - 1		April - - - - - 1	
	2	September - - - - - 2	
1782 :			6
February - - - - - 1		1800 :	
August - - - - - 1		June - - - - - 3	
	2	July - - - - - 2	
1783 :			5
May - - - - - 1		1801 :	
June - - - - - 1		January - - - - - 1	
	2	March - - - - - 1	
1784 :		September - - - - - 1	
June - - - - - 1			3
August - - - - - 1		1802 :	
September - - - - - 1		March - - - - - 1	
	3	May - - - - - 1	
1785 :			2
February - - - - - 1		1803 :	
1786 - - - None.		May - - - - - 2	
1787 - - - None.		July - - - - - 1	
1788 :		October - - - - - 1	
March - - - - - 1		December - - - - - 1	
May - - - - - 1			5
June - - - - - 1		1804 :	
	3	February - - - - - 1	
1789 :		March - - - - - 1	
November - - - - - 1			2
1790 - - - None.		1805 :	
1791 :		March - - - - - 1	
December - - - - - 1		April - - - - - 4	
1792 :		May - - - - - 1	
July - - - - - 1		June - - - - - 2	
1793 :		November - - - - - 1	
March - - - - - 5			9
April - - - - - 4		1806 :	
May - - - - - 2		January - - - - - 2	
June - - - - - 5		March - - - - - 1	
July - - - - - 5		July - - - - - 1	
August - - - - - 1		September - - - - - 1	
	22		5
1794 :		1807 :	
January - - - - - 1		August - - - - - 1	
November - - - - - 1			
	2	1808 :	
1795 :		March - - - - - 2	
January - - - - - 1		June - - - - - 1	
July - - - - - 2		October - - - - - 2	
November - - - - - 2			5
	5	1809 :	
1796 :		January - - - - - 1	
January - - - - - 1		March - - - - - 1	
April - - - - - 1		August - - - - - 1	
July - - - - - 1		December - - - - - 1	
	3		4
1797 :		1810 :	
March - - - - - 1		April - - - - - 1	
September - - - - - 1		May - - - - - 1	
	2	June - - - - - 2	
1798 :		July - - - - - 6	
February - - - - - 1		August - - - - - 3	
November - - - - - 2		September - - - - - 2	
	3	October - - - - - 3	
		November - - - - - 2	
			20
		1811 :	
		February - - - - - 1	
		September - - - - - 2	
		November - - - - - 1	
			4

App. No. 101.—NUMBER of Commissions of Bankrupt issued against Country Banks—cont^d.

1812:	January	-	-	-	3	
	February	-	-	-	3	
	April	-	-	-	1	
	August	-	-	-	3	
	September	-	-	-	1	
	October	-	-	-	2	
	November	-	-	-	3	
	December	-	-	-	1	
						17
1813:	January	-	-	-	1	
	February	-	-	-	1	
	April	-	-	-	1	
	July	-	-	-	2	
	November	-	-	-	1	
	December	-	-	-	2	
						8
1814:	May	-	-	-	2	
	July	-	-	-	9	
	August	-	-	-	2	
	September	-	-	-	6	
	November	-	-	-	6	
	December	-	-	-	2	
						27
1815:	January	-	-	-	3	
	March	-	-	-	1	
	April	-	-	-	1	
	May	-	-	-	3	
	June	-	-	-	4	
	July	-	-	-	3	
	August	-	-	-	5	
	November	-	-	-	3	
	December	-	-	-	2	
						25
1816:	February	-	-	-	3	
	March	-	-	-	6	
	April	-	-	-	6	
	May	-	-	-	2	
	June	-	-	-	3	
	July	-	-	-	6	
	August	-	-	-	1	
	September	-	-	-	1	
	October	-	-	-	4	
	November	-	-	-	4	
	December	-	-	-	1	
						37
1817:	January	-	-	-	1	
	April	-	-	-	2	
						3
1818:	August	-	-	-	1	
	October	-	-	-	1	
	November	-	-	-	1	
						3
1819:	March	-	-	-	2	
	April	-	-	-	1	
	May	-	-	-	2	
	July	-	-	-	2	
	September	-	-	-	1	
	October	-	-	-	1	
	November	-	-	-	1	
	December	-	-	-	3	
						13
1820:	January	-	-	-	1	
	April	-	-	-	1	
	November	-	-	-	1	
	December	-	-	-	1	
						4
1821:	January	-	-	-	1	
	February	-	-	-	2	
	June	-	-	-	2	
	August	-	-	-	1	
	November	-	-	-	2	
	December	-	-	-	2	
						10
1822:	January	-	-	-	1	
	February	-	-	-	3	
	March	-	-	-	1	
	April	-	-	-	1	
	May	-	-	-	3	
						9
1823:	February	-	-	-	2	
	March	-	-	-	2	
	April	-	-	-	1	
	June	-	-	-	1	
	September	-	-	-	1	
	October	-	-	-	2	
						9
1824:	January	-	-	-	2	
	February	-	-	-	1	
	May	-	-	-	1	
	June	-	-	-	3	
	September	-	-	-	2	
	December	-	-	-	1	
						10
1825:	January	-	-	-	1	
	September	-	-	-	1	
	October	-	-	-	5	
	December	-	-	-	30	
						37
1826:	January	-	-	-	12	
	February	-	-	-	10	
	March	-	-	-	11	
	April	-	-	-	3	
	May	-	-	-	5	
	September	-	-	-	1	
	November	-	-	-	1	
						43
1827:	January	-	-	-	1	
	February	-	-	-	2	
	June	-	-	-	2	
	August	-	-	-	1	
	November	-	-	-	1	
	December	-	-	-	1	
						8
1828:	February	-	-	-	1	
	March	-	-	-	1	
	November	-	-	-	1	
						3
1829:	May	-	-	-	2	
	June	-	-	-	1	
						3
1830:	January	-	-	-	1	
	April	-	-	-	1	
	August	-	-	-	1	
	May	-	-	-	1	
	June	-	-	-	3	
	July	-	-	-	2	
	October	-	-	-	2	
	November	-	-	-	1	
	December	-	-	-	2	
						14

Appendix, No. 102.

REPORT of the DIRECTORS of the BANK of MANCHESTER, to the FIRST ANNUAL GENERAL MEETING of PROPRIETORS, held on the 28th July 1830.

THE period having arrived for holding the first Annual General Meeting of the Proprietors of the Bank of Manchester, in pursuance of the Resolution passed at the General Meeting of Proprietors held on the 1st December 1828; the Directors have now the satisfaction of submitting to the Proprietors, a concise Statement of their Proceedings, as connected with the important duties then intrusted to their charge.

As an object of primary importance, the Directors, in conjunction with the Solicitor of the Bank, proceeded to form the Deed of Settlement; which, after much anxiety and labour, was completed, and will, they trust, be found to embrace just and sound principles for the constitution of the Company, under the existing laws relating to Joint Stock Banks. Upon the completion of this Deed, and the payment of the second Call of £.5 per share in the month of April 1829, the Company was legally and finally constituted and established. The Deed of Settlement has since been printed and published for the information of the Proprietors.

In the meantime, the other important objects, of procuring suitable premises, appointing officers and London agents, had occupied the earnest attention of the Directors. The present Bank premises in Market-street were considered to be the most eligible of any that offered, and the Directors were enabled to purchase them on advantageous terms. They have been altered and adapted to the present exigencies of the business, the two upper stories being appropriated for the residence of the principal Book-keeper, who takes charge of the premises.

Mr. Burdekin, as Manager, and the other principal Officers, were (from amongst numerous other candidates for the respective situations) appointed by the unanimous concurrence of the Directors; who are happy to report that their anticipations from those appointments have been fully realized, through the uniform exertions of every officer to forward the views of the Board, and to promote the interests of the Bank.

The Directors have also to report, that very satisfactory arrangements were made for placing the London Agency in the hands of Messrs. Glyn, Halifax, Mills & Co.; than whom no Firm possesses a higher character and standing in that city.

Of the 5,000 reserved Shares, which were left at the disposal of the Directors at the last General Meeting, 2,086 were granted to various applicants, at par, prior to 25th January 1830; after which date 1,690 were granted to applicants, at a premium of £.2 per share, producing thereby a clear gain to the Company of £.3,380; and leaving unappropriated, on the 30th June last, 1,224 Shares, for subsequent disposal in such manner as may appear best calculated to promote the interest of the Company.

The preliminary arrangements for the commencement of business were in part made, and the Bank went into operation on the 25th March 1829, at a temporary office in Marsden Square. From that office the business was removed on the 20th April, to the present Bank premises in Market-street; but it was not until the middle of June that the office upon the ground floor, and the arrangements at present existing, for the regular transaction of the business of the Bank, were finally completed.

The opposition and prejudice manifested against this Company at the period of its formation, by parties apprehending injurious consequences from the establishment of a public Bank in Manchester, appear to have gradually subsided as the principles and advantages of Joint Stock Banks have been more closely investigated and developed. The Directors, therefore, have been desirous of inviting public attention to the nature and objects of this Institution, assured that an extensive consideration of the subject would produce a corresponding conviction of the utility of the Establishment. From the progressive increase and present state of the business of the Bank, it is apparent that the Institution has already attained a high rank in public estimation. That it will not hereafter decline in public favour, may be inferred from the ample Capital which the Company is known to possess, its impartial and regular system of transacting business, and from its character of stability being superior to that of any establishment of a private nature.

Some of the opponents of this Bank (though admitting its superiority in principle) urged, among other groundless objections, "that an injurious exposure of private affairs must necessarily take place in a Company governed by a Board of Directors, whilst such affairs, in private Banking Houses, could only come under the cognizance of two or three partners!" The practical operations of the Bank of Manchester have already shown to the Public the

fallacy of this sinister objection; in reference to which, however, it may be proper to state, that the transactions of customers with the Bank are always submitted directly to the Manager; and in nine cases out of ten, are decided upon at once by him only. But to leave no ground of such objection in any case, the Directors appointed two of their body, (who are out of business) who alone have access to the Accounts, and are authorized to advise with the Manager, when requisite, on the current transactions of the Bank; at the same time each of the other Directors engaged, individually, to refrain entirely from inspecting any of the customers bills or accounts; thus combining all the secrecy of a private Bank with the advantages of a public institution. This arrangement has been made known to the Public, and has, it is believed, given general satisfaction.

The important subject of establishing Branch Banks in the neighbouring Towns (as originally embraced in the plan of the Institution) engaged the attention of the Directors shortly after the close of the first half year's accounts of the Bank in Manchester; and after mature consideration, they decided upon making the experiment by establishing Three Branches successively, as soon as circumstances would permit; viz. at Stockport, Bolton, and in or near Ashton-under-Lyne. Premises have been taken at Stockport, and arrangements are now in progress for establishing the first Branch at that place. By the establishment of these Branches, the Directors anticipate that the Bank will obtain no inconsiderable accession to its connections and business; and that the range of its usefulness will thus be proportionally extended.

The Proprietors at large are aware that in the formation of this Institution, its early promoters were actuated more by a desire to advance the general interests of Commerce in this Town and neighbourhood, than by any expectation of realizing a large rate of profit upon their respective investments in the stock of the Company. Impressed with similar feelings, the Directors have considered it their duty to guard against any perversion of the original object of the Institution. In furtherance of that object, and taking also into view the establishment of the intended Branches, the Directors deemed it expedient, on the 24th June last, to make a third Call of £.5. per share, payable on the 29th September next; notice of which has already been given to the Proprietors. It is obvious that to maintain the rank which a public Institution of such importance ought to possess, its paid-up Capital should always be commensurate with the extent of its business transactions.

The Directors, pursuant to the provisions of the Deed of Settlement, have now to lay before the Proprietors a Statement, exhibiting the result of the Balance Sheet, which was regularly made out and audited to the 30th day of June 1830. There were then 617 Proprietors, holding in the aggregate 18,776 Shares, leaving 1,224 Shares unappropriated, as before stated. The amount of Capital paid up was £.187,760; and the net amount of Profit arising from the business since its commencement, after paying charges of every kind, and deducting bad debts, was £.11,175. 15. 10.

Upon ascertaining the amount of profits and gains, the Directors were anxious to dispose of the same in a manner the best calculated to advance the permanent interests of the Company. By the 31st article of the Deed of Settlement, it is provided, that "No dividend of the profits of this Company shall be made for the period ending on the 30th day of June 1830, unless the Directors shall, in their discretion, deem it expedient; but the same profits, after defraying the expenses of establishing this Company, shall be retained, and form part of a fund, to be called the Reserved Surplus Fund." The Directors, after maturely considering the subject, came to the decision, unanimously, that it was most advisable to carry into full effect the aforesaid provision of the Deed of Settlement, by setting apart the entire amount of the Profits and Gains up to the 30th ult. "to meet and provide against any unforeseen emergencies, losses, or extraordinary demands upon the Company." They have therefore declared that the respective sums of £.11,175. 15. 10. being the amount of profits on business, and £.3,380. being the amount of premium on shares granted, making together the sum of £.14,555. 15. 10. shall be appropriated to and form part of the "Reserved Surplus Fund."

Having completed the term for which they were appointed, the Directors have now to resign into the hands of the Proprietors the important trust committed to their charge. They have also to acknowledge the uniform marks of confidence and support which they have experienced from the Proprietors at large; and at the same time they would earnestly urge upon the Proprietors the necessity of a continuance to their Successors of the like cordial co-operation and support, as the surest means of securing the progressive extension of the Business, and the general Utility of the Institution.

(Signed)

Thomas Potter, Chairman.

Manchester, 26th July 1830.

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Appendix, No. 102—*continued*.

REPORT of the DIRECTORS of the BANK of MANCHESTER, to the SECOND ANNUAL GENERAL MEETING of PROPRIETORS, held on Thursday the 11th August 1831.

THIS Second Annual General Meeting of the Proprietors of the Bank of Manchester is held, in accordance with the provisions of the Deed of Settlement, to receive the Annual Report—to elect four Directors in the place of those who are to retire from the Board—and to sanction a Dividend to be declared out of the Profits and Gains which have accrued upon the business of the Bank for the past year.

The transactions of the Bank for the Year which has elapsed, have presented a steady current, gradually increasing in magnitude, and affording satisfactory results; but presenting very few materials for comment or observation. It is, however, proper to add, for the information of the Proprietors, that during each successive half year since the operations of the Bank commenced, the aggregate amount of Business transacted, and of Profits accruing thereon, have been uniformly and considerably augmented beyond those of each preceding half year.

In presenting this gratifying view of the progressive increase in the Business and Profits of the Bank, the Directors consider it necessary to advert to the Losses contingent upon its operations and connections.

From the great number of customers having accounts with the Bank (being now upwards of 700) and the extent and magnitude of their various transactions, occasional Losses from failures and other causes must naturally be expected, especially in periods like the present, of severe and general depression of trade. In consequence of certain alleged forgeries, and of some failures which have recently taken place, the Directors have to state that the Bank will sustain several losses; the exact amount of which, however, cannot be ascertained and presented in this Report, owing to the nature of the outstanding claims of the Bank, and to the unsettled condition of the affairs of the insolvent estates. Upon this subject the Proprietors will doubtless consider it sufficient to be informed that the Reserved Surplus Fund, formed out of the profits and gains of the last year, together with the sum added thereto out of the profits and gains of the present year, will, in the opinion of the Directors, constitute an ample provision for the losses above referred to, and also for others which may occur in the course of business.

The number of Shares remaining unappropriated is 701; which, by being distributed among such of our Merchants as have not yet become proprietors and may hereafter apply for the grant of Shares, will serve, as such Grants heretofore have done, to strengthen and advance the interests of the Bank, and to extend its public utility.

The total *paid-up* Capital of the Company is now £.289,485; but of this amount, one third (say £.96,495) was not paid till the 30th September last; hence it will be observed, that portion of the Capital had only been in hand nine months on the 30th June, to which period the Accounts were made up and balanced.

Upon making out and deducting the amount of Profits and Gains for the year, and after setting apart to be added to the Reserved Surplus Fund, for the object before referred to, such an amount as they have deemed it expedient under present circumstances so to appropriate, the Directors have decided that the remainder, amounting to £.17,369. 2. should constitute a Dividend, to be declared and paid to the Proprietors; the same being at the rate of £.6 per cent upon the amount of the paid-up Capital of the Company.

In the last Annual Report, reference was made to the intention of establishing Branch Banks in Stockport, Bolton, and in or near Ashton-under-Lyne. Since that time, two Branches have been established, viz. in Stockport and in Bolton; but they have not yet been in operation a sufficient length of time to enable the Directors to decide from experience as to the benefits derivable from the system of Branches in the neighbouring Towns; from this, and other causes, they have felt justified in having thus far delayed taking measures for establishing the proposed Branch at Ashton.

The Directors avail themselves of this opportunity to impress upon the Proprietors the indispensable necessity of their individual exertions to increase the number of Customers, and to extend the transactions of the Bank. The Business of the Bank is at present more extensive, and the Accounts more numerous with persons who are not proprietors, or in any way interested in the Capital Stock of the Company, than with the Shareholders themselves; and whilst this circumstance affords a gratifying proof of the high estimation in which the Bank is held by the Public, it fully justifies this appeal to the Proprietors for an increase of *their* exertions, in aid of those of the Directors, (as parties individually and alike interested) to extend the connections and business of the Bank.

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Notwithstanding the unfavourable state of the Laws relating to public Banking, the progress which this Institution has made strongly confirms the opinion expressed by the Directors in their last year's Report, that the Joint Stock Banking System must eventually supersede that of private Banking throughout the Kingdom. The Bank of Liverpool has been established upon principles similar to those of the Bank of Manchester, having a numerous body of Proprietors, and an ample *paid-up Capital*; and it is confidently anticipated that the business connection between that Establishment and the Bank of Manchester, will materially promote the commercial interests of both Towns, and conduce to an extension of business in both Institutions.

Upon the subject of the Laws relating to the Banking System, the Directors would further notice the absurdity and injustice of the existing enactments, which allow important facilities to private Banking Houses, that are not permitted to Joint Stock Banks; even when these latter are established upon sound principles and with adequate paid-up capitals. It is manifest that such Joint Stock Banks afford to the Public a security absolute in its character, and such as private Bankers, however opulent they may be, cannot offer. But a still more objectionable defect exists in these Laws, inasmuch as they contain no provision to secure the Public against spurious associations, assuming the name and character of Joint Stock Banking Companies. Hence, such companies have the power to inflict upon the Public a circulation of notes, and bills of exchange, purporting to be based upon a vast capital; whilst no evidence whatever is required of the existence of *any* capital, as a ground of public security!—So long as this very defective state of the Law shall continue to exist, neither a regard for the public security nor to prudential considerations, will be found sufficient to outweigh the cupidity of individual gain;—and Banking Companies, partaking of the character referred to, will continue to force their obnoxious Circulation upon the Public, to the serious prejudice of trade, and to the scandal of the Country. There is however every reason to conclude that they will not be suffered much longer to exist, or at any rate not beyond the year 1833, when the Bank of England Charter, and the Laws relating to the Banking system generally, will undergo a revision by Parliament.

Thomas Potter,

Chairman of the Board of Directors.

Manchester, 11th August 1831.

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2. Payable in London.
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1. Circulation thereof.

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1. Generally.

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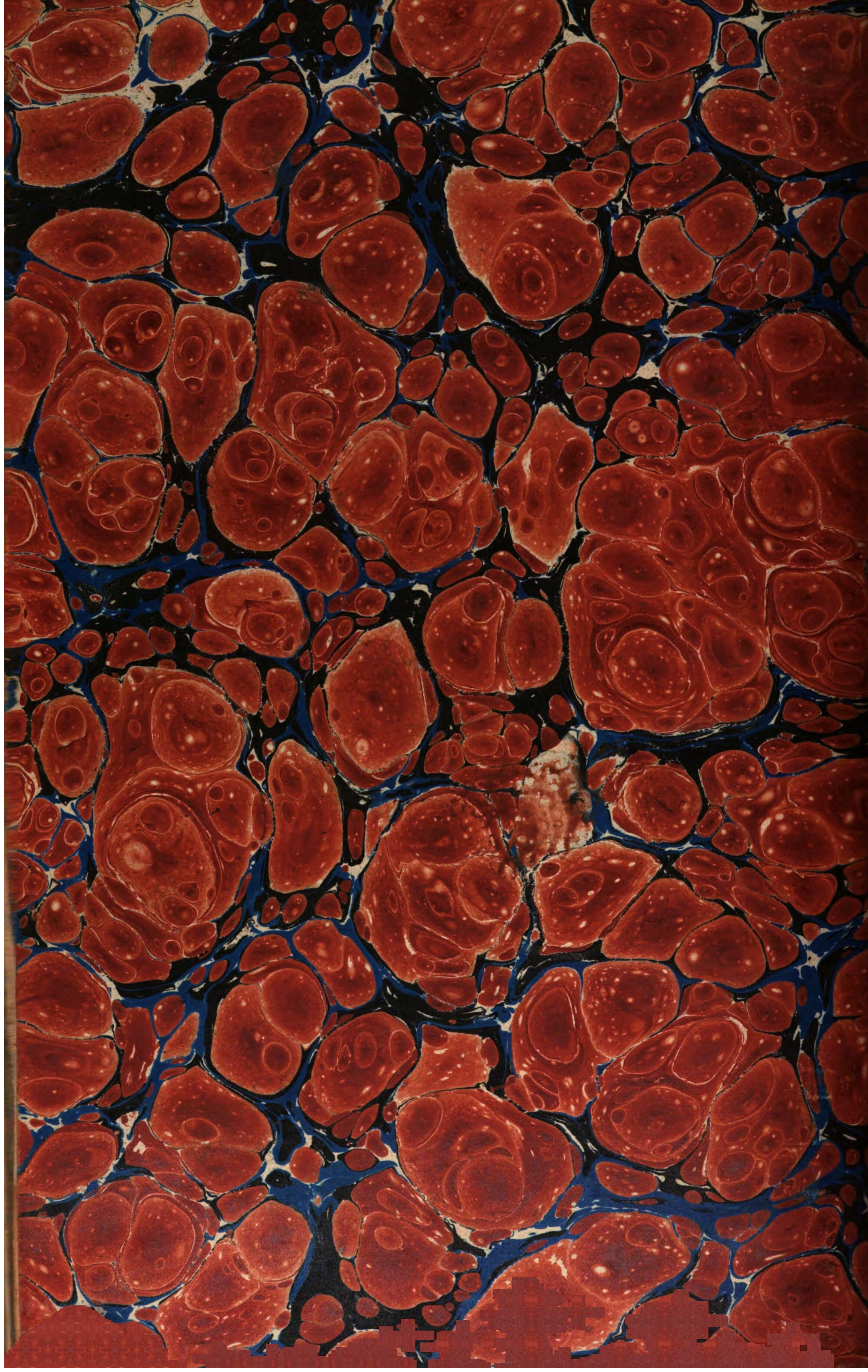
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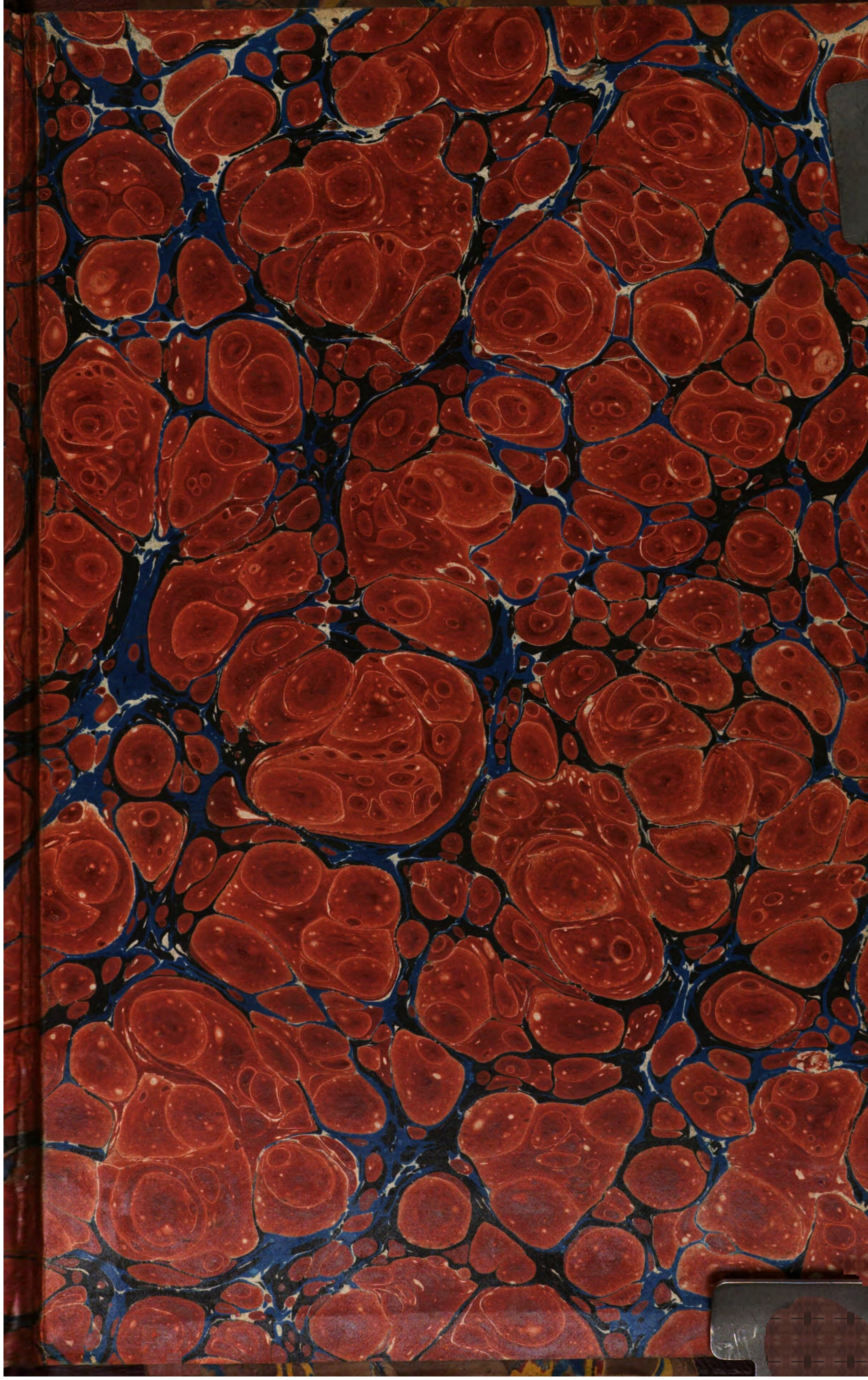
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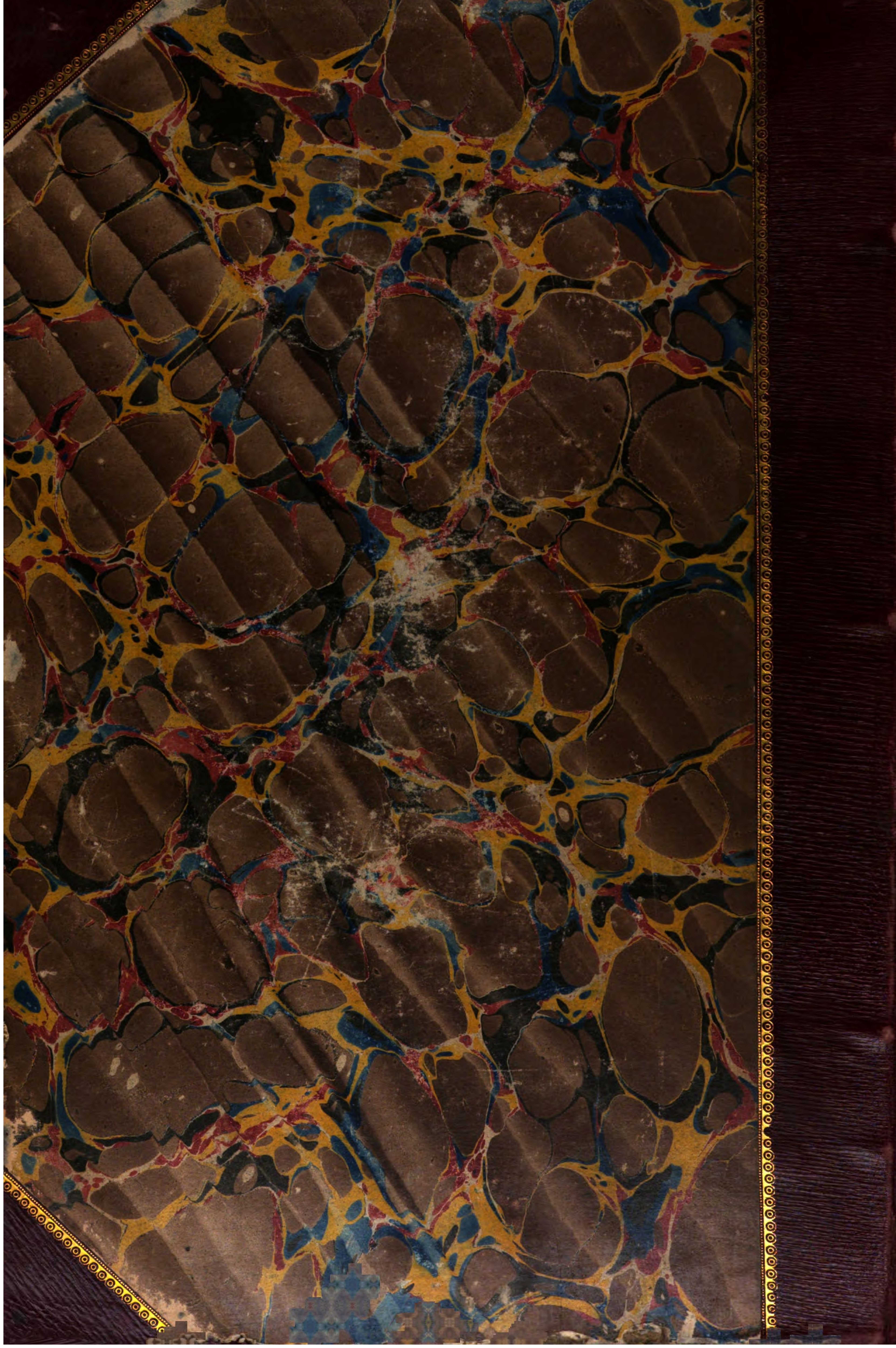
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1781, 1782 — It would be a fortunate thing for the country if the direction and control
of the circulation were managed entirely by the Bank of England, 1782 — He is which
Branch Banks would incur in attempting to carry on business on the system of Country
Banks, 1782 — Upon the present system Branch Banks cannot supersede Country
Banks, 1784 — Management of Bank, as the plan proposed by witness, by directors
and a Central Board of Management, 1782 — Witness's plan has been proposed to many
Country Bankers, who are willing to become agents, 1781 — It would be impossible to
get partners with unlimited responsibility, 1781.
Wool, See 1781.

Y.

York City and County Banking Establishment, when established, and amount of capital
Dec 1782.
Yorkshire, See 1781, 1782, 1783, 1784, 1785, 1786, 1787, 1788, 1789, 1790, 1791, 1792, 1793, 1794, 1795, 1796, 1797, 1798, 1799, 1800, 1801, 1802, 1803, 1804, 1805, 1806, 1807, 1808, 1809, 1810, 1811, 1812, 1813, 1814, 1815, 1816, 1817, 1818, 1819, 1820, 1821, 1822, 1823, 1824, 1825, 1826, 1827, 1828, 1829, 1830, 1831, 1832, 1833, 1834, 1835, 1836, 1837, 1838, 1839, 1840, 1841, 1842, 1843, 1844, 1845, 1846, 1847, 1848, 1849, 1850, 1851, 1852, 1853, 1854, 1855, 1856, 1857, 1858, 1859, 1860, 1861, 1862, 1863, 1864, 1865, 1866, 1867, 1868, 1869, 1870, 1871, 1872, 1873, 1874, 1875, 1876, 1877, 1878, 1879, 1880, 1881, 1882, 1883, 1884, 1885, 1886, 1887, 1888, 1889, 1890, 1891, 1892, 1893, 1894, 1895, 1896, 1897, 1898, 1899, 1900, 1901, 1902, 1903, 1904, 1905, 1906, 1907, 1908, 1909, 1910, 1911, 1912, 1913, 1914, 1915, 1916, 1917, 1918, 1919, 1920, 1921, 1922, 1923, 1924, 1925, 1926, 1927, 1928, 1929, 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 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